

**ACMA**

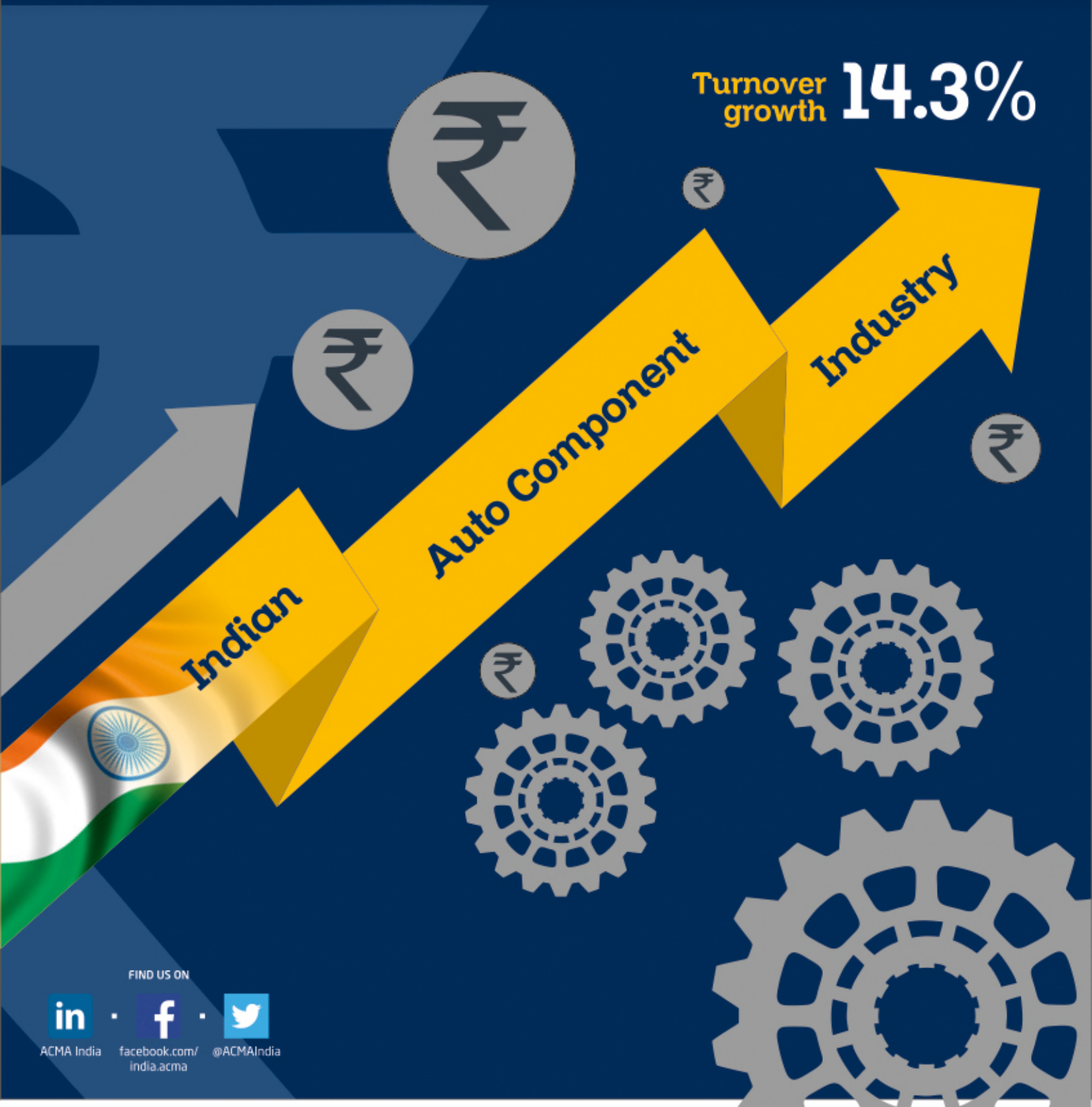
Automotive Component Manufacturers Association of India

June-July 2017

# AUTONEWS

Vol 10 No 67

Turnover growth **14.3%**



FIND US ON

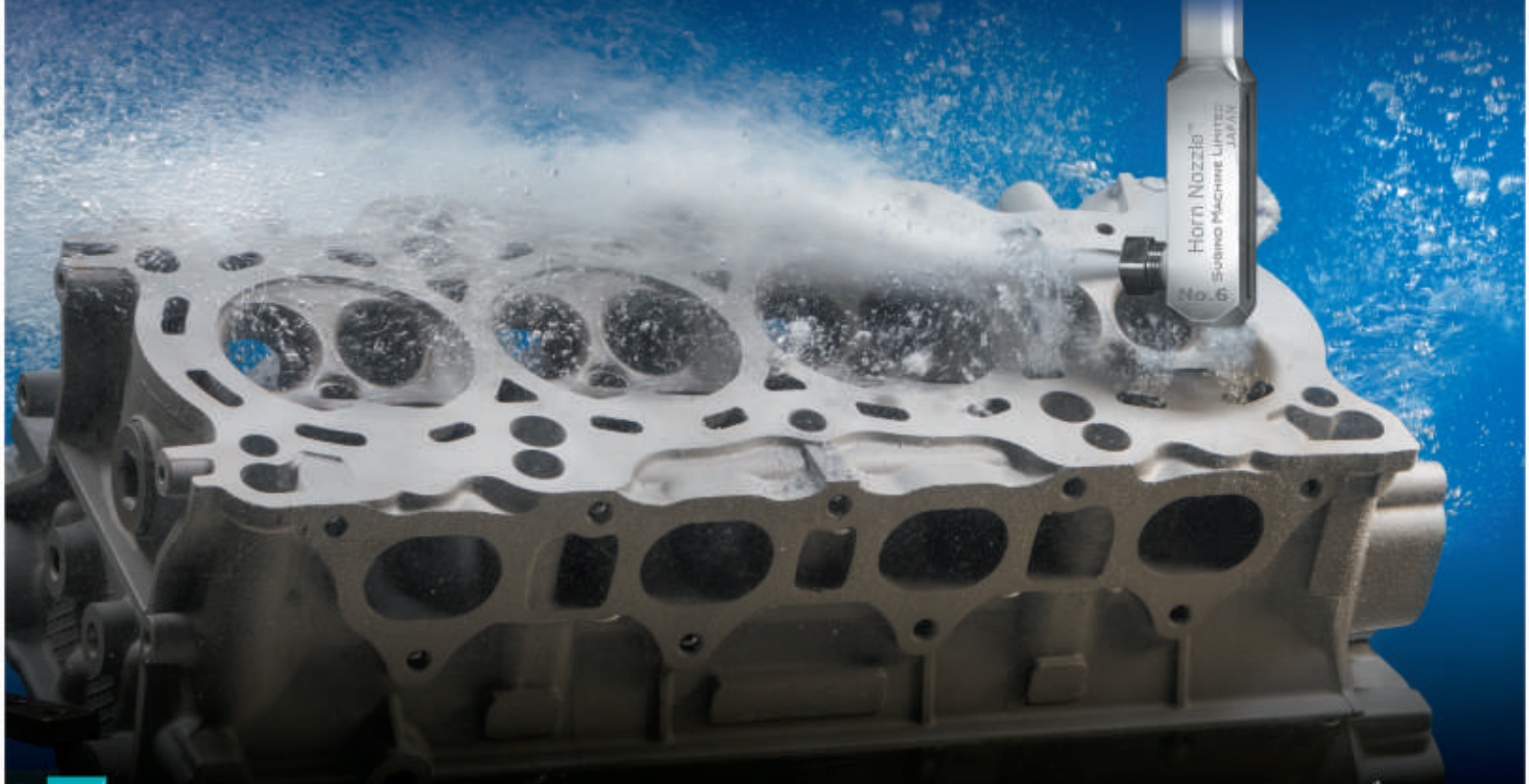


ACMA India    facebook.com/india.acma    @ACMAIndia

SUGINO

# CLEAN ALL CUTTING CHIPS OFF BY WATERJET

The reason world automotive manufacturers chooses



 **JCC™ 503 Robo**  
**CNC Robotic Hand Type Washing Machine**  
**with High Efficiency**

**New Generation of Combined Washing Feature**

A fusion of "Submergence cavitation washing 7MPa" and  
"50MPa High pressure deburring".

**Pinpoint Washing for Massive Result**

High power and precise washing by submergence impact force.

**Modular Concept**

Available for automation with CNC high speed robot hand.



◀ For more info of JCC 503 Robo

Sugino Machine India Private Limited  
Sugino Machine Singapore PTE LTD

TEL : +91-124-483-1900  
TEL : +65-6458-9544

E-mail : contact@sugino.co.in  
E-mail : sales@sugino-singapore.com.sg

**SUGINO MACHINE LIMITED**  
www.sugino.com



## EDITOR'S NOTE

**Vinnie Mehta**  
Director General, ACMA  
dg@acma.in

Despite the challenges of demonetisation and uncertainty in implementation of GST, the vehicle production remained buoyant. In this backdrop, the auto component industry too posted an encouraging performance; the industry grew by 14.3 percent over the previous year, scaling Rs 29,2184 crore (USD 43.5 billion). Further exports, grew by 3.1 percent in FY 2016-17 to Rs. 73,128 crore (USD 10.9 billion) registering a CAGR of 11 percent over a period of six years. The Aftermarket was however a silver lining, that grew by 25.6 percent to Rs. 56,096 crore (USD 8.4 billion).

Moreover, we believe that a technological transformation of the automotive industry is imminent, which calls upon the component industry to invest in R&D, create IP, acquire and develop relevant technologies at a much faster pace to remain relevant for future needs.

Therefore, the auto component industry will need to prepare for transformation to e-mobility, but our hands at this juncture are also full in graduating from BS-IV to BS-VI, which by no means is a small change. Leapfrogging a generation of technology in just three years not only calls for sizeable investments for technology acquisition and absorption, but also for skilling of people.

Hence, a long-term stable, technology-agnostic roadmap for the automotive industry driven by a sound regulatory framework is the need of the hour so that the industry can invest for sustainable growth and development, in line with the aspirations of all stakeholders.

# Contents

---

**05** International  
Events

**09** National  
Committees

**11** From the  
Regions

**27** ACMA-UNIDO

**28** Industry  
News

---

**NO 67/ JUNE-JULY 2017**

**ACMA AUTONEWS**

Editor: Vinnie Mehta, Director General, ACMA |  
Associate Editor: Harkaran Malhotra, Dy Director, ACMA

Editorial Delhi Office:  
Automotive Component Manufacturers Association of India,  
The Capital Court, 6<sup>th</sup> Floor, Olof Palme Marg, Munirka,  
New Delhi - 110 067  
For Advertisement enquiries, contact Harkaran Malhotra,  
harkaran.malhotra@acma.in | 9873784038

Editorial Content:  
The Publisher makes every effort to ensure that the contents in the magazine are correct. However, he can accept no responsibility for any effects from errors or omissions. Any unauthorised reproduction of Auto News content is strictly forbidden.

Design & Production: Ashes Design Studio, New Delhi |  
ashesdesignstudio@gmail.com | 9999114295



# INTERNATIONAL EVENTS

## INDIA-KOREA AUTOPARTS MEETS: Opportunity to partner with South Korean Automotive Industry



ACMA, for the first time, organised "India - Korea Autoparts Partnership Meet" in South Korea in July 2017. This partnership meet was supported by the Ministry of Commerce & Industries, Government of India. Further, ACMA engaged with the Indian Embassy in South Korea, Incheon Metropolitan City Government, Gwangju, Korea Chamber of Commerce and other local bodies to facilitate business visitors.

The objectives of the meet was:

- Strategic partnerships and agreements with Korean auto-component manufacturers and OEMs
- Possibilities of acquiring / collaboration for technology - Auto-electronics, vehicle safety, emission control, anti-collision intelligence etc.
- Exploring global outsourcing opportunities with OEMs/ Tier1/ Tier 2.

The event witnessed participation from over 40 delegates from 28 ACMA member companies.

Apart from the partnership meets at Incheon (4th July) and Gwangju (6th July), the visit for a week included visits to Korean companies like Kia Motors, KyungShin, Yura Corporation, Hyunsung Auto and Najeon Auto. The partnership meets recorded visits of over 200 Korean companies at Incheon and over 60 visitors in Gwangju.

ACMA also signed MoU with the Gwangju Aftermarket council. Also, three participating companies signed MoUs with Korean companies during the event; they are:

- Anu Industries (India) with Yura tech (Korea)



## 2017년 인도 자동차부품 바이어 초청 수출상담회 2017 Incheon-India Auto Parts B2B Meeting



- Belmaks (India) with Fine Motors (Korea)
- Sellowrap (India) Technical Agreement with Shinkitech (Korea)

Mr. Hemant Sikka along with the senior purchasing team from Ssangyong Motors visited the partnership meet at Incheon and interacted with the participating companies. Also purchasing head of Kia Motors interacted with each company at the partnership meet at Gwangju. ACMA has offered to support Kia Motors in India in regards to identifying new suppliers (as per their interest).



# AUTOMECHANIKA Birmingham



ACMA organised a group participation for its members at the Automechanika Birmingham 2017 on 6th to 8th June, 2017 at NEC, Birmingham, UK. The event had financial assistance from Government of India's (MOC) under MAI scheme. The ACMA pavilion was spread across 180 sq. mts in hall 20 with 23 exhibitors.

Automechanika Birmingham, is the leading aftermarket exhibition in United Kingdom having over 800 exhibitors, including 250 new exhibitors and 12000 visitors. The event was spread across five halls (Hall 17-20 & 6) of the NEC.

Shri S M Chakraborty, Consul & Head of Chancery, Consulate General of India visited ACMA, India Pavilion and spent considerable amount of time interacting with all the exhibitors.

The visitors at the ACMA Joint Stand include business visitors mainly from the UK aftermarket besides visitors from Australia, Spain, Europe, Poland, China, Turkey, France and Germany. One of the participant received a business enquiry worth GBP 0.15 mln. Few members were successful in showcasing their manufacturing strengths and making new business contacts.



# BEYOND LIMITS

**ASSURANCE  
BUSINESS ADVISORY  
TAX ADVISORY  
GOVERNANCE RISK &  
INTERNAL CONTROLS  
CORPORATE FINANCE  
FORENSICS SERVICES  
GOVERNMENT ADVISORY  
HUMAN RIGHTS REPORTING  
FINANCIAL ADVISORY SERVICES**

Mazars in India is part of the Mazars International Partnership, an integrated and independent organisation that relies on the skills of over 18,000 professionals in 79 countries.

With more than 700 professionals and a deep understanding of your business strategy, Mazars in India provides insightful tax, advisory and accounting solutions to help you grow and edge out your competition.

As a trusted partner to leading international organizations such as Fortune 500 companies, owner-managed businesses and individuals, we help you future-proof your business by streamlining operations, building a resilient financial foundation, and identifying risks.

photos © iStock



# NATIONAL COMMITTEES

## HR COMMITTEE

### CONCLAVE ON HR IN THE ERA OF GLOBALIZATION & AUTOMATION



Northern Region HR Forum organized its 5<sup>th</sup> Conclave on HR in the "Era of Globalization & Automation" on 14<sup>th</sup> July, 2017, Gurugram. Mr. Kenichi Ayukawa, Managing Director & CEO, Maruti Suzuki India Ltd., was the Chief Guest for the conclave.

Other eminent speakers were Dr. V P Singh, Adviser - Organization Development, Patanjali Ayurved Limited; Mr. A D Burman, AVP - HR, Maruti Suzuki India Ltd., Mr. Sanjeev Vaid, Vice President, Corporate HR, InterGlobe Enterprises, Ms. Joyeeta Chatterjee, CHRO, OLV India, Mr. Lokesh Payik, Chief of Business and General Manager – Industry 4.0, Bosch Limited India, Mr. Gautam Dutta, Sr. Director - Marketing, Siemens Industry Software (I) Pvt. Ltd., Mr. Harbhajan Singh, Director - General & Corporate Affairs, Honda Motorcycle and Scooter India Pvt. Ltd., Sister B K Kamala, Brahma Kumaris, Mr. P Dwarakanath, Director – HR, Max India, Mr. Raman Kumar Sharma, Director, Honda Cars India Ltd., Mr. Deepak Dhawan, CEO & Founder, Talentonic HR Solutions, Mr. Sumit Bhatnagar, Sr. Vice President - Head Group HR, Anand Group, Mr. Sunil Puri, Director – RIPD, Asia Pacific, Center for Creative Leadership (I) Pvt. Ltd., Mr. Akshay Bhalla, Partner & COO- Sales and Markets, KPMG, Mr. Rajiv Kapoor, Executive Director – Group HRM, UNO MINDA Group, Mr. Prasad Rajappan, Founder & CEO, ZingHR, Mr. Sunil K. Chaturvedi, CEO, Automotive Skills Development Council and Mr. Anil Sachdev, Founder & CEO, School of Inspired Leadership (SOIL).

The learnings from the sessions and panel discussions held during



#### The Conclave are as follows:-

- Automating HR processes to give more power to the people
- Developing entrepreneurs from within the organization
- Make work place interesting when it starts getting monotonous
- Train people to Industry 4.0
- Work on Competency enhance skills
- Focus on the idea of relativity and relevant
- HR role starts from there when people think their job becomes boring
- HR's role as a change agent is to replace resistance, planning with results and fear of change with excitement about it's possibilities
- Make people change ready



## RAW MATERIAL COMMITTEE

### ACMA WORKSHOP ON 3D PRINTING

A full day workshop on 3D Printing was organised by ACMA Raw Material Committee on June 29, 2017. The workshop focussed on working of 3D printers & its advantages over conventional methods, material used in 3D printing, live designing and integration of 3D printing and its R&D application.

Speakers at the event spoke on the use of 3D printers for select parts like Steering Wheels, 3D Prototyping and side mirror designs. The program was been very well received.



# FROM THE REGIONS

## EASTERN REGION

### 5<sup>TH</sup> KAIZEN COMPETITION

ACMA Eastern Region organised the 5<sup>th</sup> Kaizen competition on June 9, 2017. There were thirty six kaizen presentations and thirty three participants from member companies. The Chief Guest for the competition was MR. Sampat Kumar, CEO, TML Drivelines.

The Rules and the guidelines were presented by Mr. Tapas Sahu, Regional Council member, ACMA Eastern Region. The three jury members were Mr. Shatrughan Jha, Tata Motors, Mr. Manish Jha, Head Supply Chain, Tata Cummins and Mr. Prabhat Kumar Singh, Head TQM, Tata Steel.



The winners of the competition were;

- First – ASL Industries Ltd- presented by Mr. Chandan Kumar
- Second- Steel Strip Wheels Ltd.- presented by Mr.B. Pandit
- Third- Highco Engineers P. Ltd.- presented by Mr.Sheopujan Kumar

While three consolation prizes were given to;

- Mr. Rakesh Kumar of RSB Transmissions (I) Ltd- Plant III
- Ms. Abira Banerjee of RSB Transmissions (I) Ltd- Plant I
- Mr. Durga Sharan of Automotive Axles Ltd.

In the valedictory function, the Chief Guest, Mr. Sampat Kumar, CEO, TML Driveline, said- "I have been attending the Kaizen competition from the beginning and I have seen that the maturity of the delegates has increased tremendously. The Kaizens have improved drastically and the level of competition has certainly gone up. Success is the sum of small efforts repeated day in and day out. This is so true in case of Kaizen".



Mr. Killol Kamani in his address thanked Tata Motors Ltd. and the Chief Guest for supporting the Kaizen Competition. This competition is promoting excellence through shared learning and healthy competition and has definitely upgraded the quality standards of the industry in the region," said Mr. Kamani.

### TRAINING PROGRAM ON DAILY WORK MANAGEMENT

ACMA Eastern Region organized a session on Daily work management on July 7, 2017, Jamshedpur. This was the first session in the series of the supervisor's skill development program that the region organised.

Daily work management allows people at all levels of the organization to clearly visualize whether the performance is good or bad on any given day (if necessary, even hourly, weekly or monthly). It helps to rapidly identify any deviation from target, which makes everybody involved in the process. It also helps in taking the necessary actions to quickly correct the problem and restore the expected level of performance- said Mr. Manoj Agarwal, the faculty of the day.

The program was attended by 40 delegates and was a good interactive session. Feedback received was good and encouraging.



# NORTHERN REGION

## TRAINING PROGRAM ON 8D

ACMA Northern Region organised a training program on 8D (Eight Disciplines of Problem Solving) for its members of Delhi NCR zone on July 14, 2017 at New Delhi. The training session on 8D aims to find the root cause of a problem, develop containment actions to protect customers and take corrective action to prevent similar problems in the future.



The faculty for the training was Mr. Rahul Saini, Lean Manufacturing Professional.

## 14<sup>TH</sup> QUALITY CIRCLE COMPETITION

ACMA Northern Region organized the 14<sup>th</sup> QC Competition on July 31, 2017 in New Delhi. 89 teams from member companies and 600 delegates participated in the competition.



Welcoming the Jury members, the participating teams and the delegates, Mr. Vinnie Mehta, Director General - ACMA emphasised on the benefits of Quality Circles which have been a successful tool for problem solving and team building in many companies and by virtue have brought in a high level of bonding and confidence amongst the team members.

The thirteen members Jury team consisted of Quality heads from leading Vehicle manufacturing companies namely Mr. V Khandelwal, Senior Manager – TQM / IMS, Ashok Leyland Ltd, Mr. Saurabh Yadav, AGM Quality, BMW India Pvt. Ltd, Mr. Shashi Bhushan Purohit, DGM - Business Excellence (Dharuhera Plant), Hero MotoCorp Ltd, Mr. Pradeep Dwivedi, AGM – Quality Assurance, Maruti Suzuki India Ltd., Mr. Harish Brijwal, AGM Quality Assurance, Maruti Suzuki India Ltd., Mr. Srikant Seshasai, Asst. Manager – Marketing Quality Department, Suzuki Motorcycle India (Pvt.) Ltd., Mr. Ashwani Singh, Chief Manager, Yamaha Motor India Pvt. Ltd., Mr. Ashish Bhatia, Chief Manager, Yamaha Motor India Pvt. Ltd., Mr. Puneet Kapur, Ex-Maruti Suzuki, Independent Consultant, Mr. Sumant Mathur, Ex-Maruti Suzuki, Independent Consultant and Mr. Ranjan Vasishtha, Ex-Maruti Suzuki, Independent Consultant.

Mr. Pankaj Aggarwal AVP – Vendor Development & LEAP, Hero MotoCorp Ltd. was the Chief Guest felicitated the winners.

On the occasion, Chief Guest Mr. Pankaj Aggarwal AVP – Vendor Development & LEAP, Hero MotoCorp Ltd., appreciated the energy levels of all the teams in the auditorium. Presently the focus is required is building competency on technology and cost along with quality and the competition. To realise the dream of Make in India it

is important for Tier – 1 to hand hold Tier – 2s and bring them at par with the rest of the developed suppliers.

The Winners of the 14th Northern Regional QC Competition were:

S.No.	COMPANY	TEAM
1 <sup>st</sup>	GABRIEL INDIA LTD. PARWANOO	PRAYAAS
2 <sup>nd</sup>	SANDHAR TECHNOLOGIES LTD.	EKLAVYA
3 <sup>rd</sup>	MOTHERSONS SUMI SYSTEMS LTD.	AGNI

**A) Facility Improvement**

S.No.	COMPANY	TEAM
1 <sup>st</sup>	PRANAV VIKAS INDIA PVT LTD	PIONEER
2 <sup>nd</sup>	SUBROS LTD.	TAKSHILA
3 <sup>rd</sup>	SUBROS LTD.	SPIRIT

**B) Productivity Improvement**

S.No.	COMPANY	TEAM
1 <sup>st</sup>	NAPINO AUTO & ELECTRONICS LTD.	URJA
2 <sup>nd</sup>	ROCKMAN INDUSTRIES LTD.	PRAGATI TEAM
3 <sup>rd</sup>	MINDA INDUSTRIES LTD. (Acoustic Div.)	ROCKSTAR

**C) Cost Reduction**

S.No.	COMPANY	TEAM
1 <sup>st</sup>	SUBROS LTD.	VIETA
2 <sup>nd</sup>	CAPARO ENGINEERING INDIA LTD.	LAKSHAY
3 <sup>rd</sup>	BOSCH LTD.	Y

**D) Safety**

S.No.	COMPANY	TEAM
1 <sup>st</sup>	POLYPLASTICS LTD.	ABHIYAAN

**3<sup>rd</sup> ZONAL QUALITY CIRCLE COMPETITION**

ACMA Northern Region conducted the 3rd Zonal Quality Circle Competition for Uttarakhand Zone on June 21, 2017, Rudrapur.

28 teams from membership participated in the competition which witnessed over 150 delegates. The 3 member jury consisted of Mr. Vishwadeepak Khandelwal, Sr. Manager-TQM, Ashok Leyland Ltd.; Mr. Pankaj Batta, Manager-TPM, Bajaj Auto Ltd. and Mr. Vikram

Khanna, Lead- Paint Shop, Tata Motors Ltd.



Mr. Hitesh Jain, Zonal Coordinator of Uttarakhand Zone of ACMA Northern Regional Council and Jt. MD, Roop Polymers Ltd. welcomed the Jury members and highlighted the benefits of Quality Circle movement that brings - in high level of bonding and confidence amongst the team members.

Mr. Rakesh Mital, Vice President, Ashok Leyland Ltd. Pantnagar was the Chief Guest for the event. He urged the participating companies to make the processes robust so that, various stages of manufacturing becomes easy for the operators at the shop floor. He emphasized that all the problems should be tackled with deep observations for finding the root cause and further should work towards eliminating the causes from the root level.

The winners of 3rd Zonal Quality Circle Competition, Uttarakhand Zone were:

**Best Presentations under category:**

**Productivity Improvement -**  
Lakshya team from Minda Industries Ltd.(Switch Division)

**Cost Reduction-**

Lakshya team from Roop Polymers Ltd.

**Safety-**

Royal Win team from Spicer India Private Ltd.

**TRAINING PROGRAM ON WORLD CLASS MANUFACTURING**

ACMA Northern Region organised a training program for its members of Uttarakhand on July 20, 2017, Minda Industries Ltd. on World Class Manufacturing.



World Class Manufacturing (WCM) is a structured and integrated production system that encompasses all the processes of the plant, the security, environment, from maintenance to logistics and quality. The goal is to continuously improve production performance, seeking a progressive elimination of waste, in order to ensure product quality and maximum flexibility in responding to customer requests, through the involvement and motivation of the people working in the establishment.

Mr. Ranjan Vasishtha, ex-DGM, Maruti Suzuki India was the faculty for the training program.

**ACMA NR COMMITTEE MEET WITH HARYANA'S MR. SPS CHAUHAN**

ACMA Northern Region members met, Mr. S.P.S. Chauhan- Dy. Excise & Taxation Commissioner, Gurgaon – North, Government of Haryana on June 16, 2017.

The delegation was led by Mr. Sanjay Malhotra, Chairman, ACMA GST working Group and Managing Director, Jumps Auto Industries Ltd.

Addressing the committee, Mr. SPS Chauhan, Dy. Excise & Taxation Commissioner assured that his office will extend all the help in GST initiations to ACMA members with minimal hassle from government bodies.

**SOUTHERN REGION**

**12<sup>th</sup> QC COMPETITION**

The 12<sup>th</sup> Quality Circle Competition of ACMA Southern Region in Bangalore saw a record participation of 74 teams including 14 teams in the diploma category was held on July 15th, 2017, Karnataka and Hosur Zone.



Addressing the participants at the inaugural session, Mr. Arockia Jeyaraj – GM- Purchase – TVS Motor Company Pvt Ltd and Chief of Jury for the QC Competition encouraged the participants and spoke about the challenges of BS VI, New Product development and how we as an industry need to upgrade in a short span. He urged all participants and the component industry to look at new ways and ideas to address problems. He suggested to upgrade QC tools to match the current situation. He also spoke about Indian automotive Industry's contribution of 5% to the GDP and how QC needs to evolve and participate in addressing challenges of design, environment, cleaner and fuel efficient vehicles by taking small steps at each level.

Addressing the participants during the valedictory session Mr S Baligar, VP, Business Development & Zonal Co-ordinator for Karnataka & Hosur Zone of ACMA, complimented the members for their nominations which resulted in record breaking team of 74 teams for this edition in Karnataka & Hosur Zone.

Participation certificates were presented to all teams by the Chief of

# SIGMA

Your Specialist in Ride Comfort & Vibration Control



India's Leading, Diversified Automotive Group serving the Global Automotive Customers in OEM and Aftermarket



Motor & Transmission Mounts, Hydraulic Mounts & Bushings, Strut Mounts & Kits, Engine Damper Pulleys, Shaft Supports, Couplings, Heavy Duty Torque Rods & Kits

Since 1964

[www.sigmacorporation.com](http://www.sigmacorporation.com)

Jury, Juries and Zonal Co-ordinator, ACMA. The Stream wise winners and the teams qualified for the National level were presented with Trophies and certificates.



The following teams were adjudicated winners at the competition:

**Blue Stream Hall**

Prize	COMPANY	TEAM
1 <sup>ST</sup>	RANE (MADRAS) LTD, MYSORE PLANT	CAUVERY
2 <sup>ND</sup>	TURBO ENERGY PVT LTD, PAIYANOOR	ENVIRONMENTAL CHARGERS
3 <sup>RD</sup>	LUCAS-TVS LTD, PONDY	FOCUS

**Green Stream Hall**

Prize	COMPANY	TEAM
1 <sup>ST</sup>	LUCAS-TVS LTD, PADI	DEMING
2 <sup>ND</sup>	TOYOTA KIRLOSKAR AUTO PARTS PVT LTD	SAARA
3 <sup>RD</sup>	HERITA SEATING SYSTEMS LTD.	DAFFODIL

**Maroon Stream Hall**

Prize	COMPANY	TEAM
1 <sup>ST</sup>	SANSERA ENGINEERING (P) LTD	PRUTHVI
2 <sup>ND</sup>	RANE (MADRAS) LTD, MYSORE PLANT	SIDDIVINAYAKA
3 <sup>RD</sup>	NEXTEER AUTOMOTIVE INDIA PVT LTD	EXPORTS

**Brown Stream Hall**

Prize	COMPANY	TEAM
1 <sup>ST</sup>	SUNDARAM CLAYTON LTD, HOSUR	AAKASH
2 <sup>ND</sup>	BOSCH LTD	RAKSHA
3 <sup>RD</sup>	SANSARA ENGINEERING (P) LTD	SPOORTHY

The teams qualified the National QC on 19th August 2017 at Chennai were

S.No.	COMPANY	TEAM
1 <sup>ST</sup>	LUCAS-TVS LTD, PADI	DEAMING
2 <sup>ND</sup>	SANSERA ENGINEERING (P) LTD	PRUTHVI
3 <sup>RD</sup>	SUNDARAM CLAYTON LTD, HOSUR	AAKASH
3 <sup>RD</sup>	RANE (MADRAS) LTD, MYSORE PLANT	CAUVERY

Around 500 participants including the teams were part of this Annual Regional event, who gave an encouraging feedback of organising more such events under the Quality Circle banner.

**ONE-DAY TRAINING PROGRAM ON HR COMPLIANCES AND AUDIT**

ACMA Southern Region, Karnataka & Hosur Zone organized a training on HR Compliances and Audit on June 02, 2017 at Bangalore to facilitate improve knowledge of participants on the various forms/ returns/ notices to be maintained/ submitted under the major labour laws in an establishment.



Mr R Kumar, with 20 years of experience and having led HR teams in manufacturing industries was the faculty for the program.

The following topics were covered in this session :Factories ACT, Payment of wages ACT, Payment of Minimum wages ACT, Payment of Gratuity ACT, Payment of Maternity benefit ACT, Contract labour (R&A) ACT, Employees provident fund and Misc provisions ACT, Employees state Insurance ACT, Sexual harassment to women at



workplace ACT, Interstate Migrant labour ACT, Private security ACT. All the forms related to these ACTs were discussed in detail.

## REFRESHER WORKSHOP ON HOW TO PRESENT EFFECTIVE QUALITY CIRCLE AT COMPETITIONS

With an intent of refreshing the knowledge on QC, its tools and applications and on how to present at competitions, a quick one-day refresher workshop on Quality Circles was organized by ACMA – Southern Region – (K&H Zone) on 21st June 2017 at its Bangalore Office.



The faculty for this training workshop was Mr B N Jagadeesh Prasad – Mentor, Former Honorary Vice Chairman of Quality Circle Forum of India, Bengaluru Chapter.

This program was aimed at providing the QC members, team leaders and facilitators, refreshing inputs on the the basics of Q7 Tools. It also focused on the presentation techniques which would enable them in preparing for the QCC competitions organized by various organisations.

In all 9 participants attended this workshop and they felt it was a good refresher course which would help them in preparing for the upcoming QC Competition.

## VISIT TO NEXTEER AUTOMOTIVE INDIA PVT LTD & TOYOTA INDUSTRIES ENGINE INDIA PVT LTD

The continuous efforts to engage with members and learn from their best practices and experiences, ACMA, Southern Region, Karnataka & Hosur Zone organized a visit to Nexteer Automotive India Pvt Ltd & Toyota Industries Engine India Pvt Ltd with 15 participants on July 21, 2017, Bangalore.



Nexteer Automotive – is into global steering and driveline business delivering electric and hydraulic steering systems, steering columns and driveline systems, as well as ADAS and automated driving technologies for OEMs around the world. Nexteer Automotive



customers include BMW, FCA, Ford, GM, PSA, Toyota and VW, as well as automakers in India and China.

Toyota Industries Engine India (TIEI), a joint venture between Kirloskar Systems Ltd. (KSL) and Toyota Industries Corporation – Japan (TICO), in India, started its new engine production plant at Jigani Industrial Area, Bengaluru. The new plant will manufacture powerful and high performance Global Diesel (GD) Engine featuring Economy with Superior Thermal Efficiency Combustion (ESTEC) technology, which contributes to enhanced fuel efficiency.

At Toyota, 4 main objectives centered on creating safe, clean & green plant, Quality assurance at source, accelerate human development and achieve extra-ordinary results. The company believes that easy working is safe working and therefore have invested a lot in Automation- Crankshaft mounting Mechanism, Basket Automatic Routine mechanism.

During the Plant visit both Nexteer & TIEI team showcased and explained various process followed in their plant. The visit was very well received by members and also found the visit very useful and informative.

## TRAINING ON FUNDAMENTALS OF ENGINEERING DRAWINGS

ACMA Southern Region organized a training on Fundamentals of Engineering Drawings at ACMA office on August 4, 2017. The training was attended by 15 delegates from 8 companies.





**TRANSLATION INDIA™**

The Communication Catalyst

ram@translationindia.com

www.translationindia.com

+91 9811 200 494

## TOUR GUIDE SYSTEM

ON HIRE FOR SHORT AND LONG TERM BASIS



**1 Way - Wireless  
Tour Guide System**



**Sennheiser  
Tour-Guide System**

- Robust system to cover any of your guided tour, employee training and factory visits.
- Excellent sound quality, even in noisy shop floor or manufacturing facilities.
- Easily available on rent for short and long term needs.
- Flexible pricing options for all budgets.
- Multiple channels for managing multi groups.
- Hands-Free transmitter and lightweight tour headsets.



**2 Way - Wireless  
Tour Guide System**

### NEW DELHI

A-34 Sewak Park, Street -10,  
Dwarka Modh, Near Metro Station,  
New Delhi: 110 059, India

### MUMBAI

Translation India  
25, Kumud Nagar,  
Goregaon West,  
Mumbai - 400047

### BENGALURU

429, 5th Cross, 4th C Main,  
HRBR 2nd Block, Kalyan Nagar,  
Bengaluru - 560043, India

**NEW DELHI | MUMBAI | CHENNAI | BENGALURU | HYDERABAD | PUNE**



Mr V Kartheeban was the faculty for the training. The training covered together with examples and some practical exposure on:

- How the industry communicates technical information
- The ability to mentally control visual information
- Geometry and projection techniques
- Set of rules that govern how parts are made and technical drawings are represented
- Commonly accepted practices and methods used for technical drawings
- Devices used to create technical drawings and models

### TRAINING ON HR COMPLIANCES AND AUDIT

ACMA Southern Region organized a training program on HR Compliances and Audit at ACMA office, Chennai on June 16, 2017. The faculty for the program was Mr R Kumar from Transform HRSS. Kumar holds a Masters Degree in Business Administration and a qualified Lead Auditor for BS 18001.



Adhering to statutory compliances is necessary for all big and small companies in the world to keep their businesses safe from the legal trouble. A deep knowledge of statutory compliances is required to minimize the risk associated with the noncompliance of statutory

requirements. This was the objective of rolling out this program to members.

The program covered the following Acts

- Factories act
- Payment of wages act
- Payment of Minimum wages act
- Payment of Gratuity act
- Payment of Maternity benefit act.
- Contract labour (R&A) act
- Misc provisions act.
- Sexual harassment to women at workplace act
- Inter state Migrant labour act
- Private security act
- ESI & EPF

It also covered the proposed amendments under the various ACTs. Members found this program very useful with high learnings from the presentation. 9 delegates attended this training from 8 companies.

### VISIT TO DAIMLER INDIA COMMERCIAL VEHICLES PVT LTD & GARC-NATRIP

Continuing with ACMA Southern Region's efforts to interact regularly with customers, a visit and interaction with Daimler India Commercial Vehicles Pvt Ltd was held on July 26, 2017, at their Oragadam facility near Chennai. The OEM visit was followed by an exposure visit to the GARC/NATRIP facility.



33 member companies participated in the visit which was led by Mr. J. Sridhar, ACMA Zonal Coordinator, Southern Region. The Daimler Team was led by Mr. Amit Sharma, Head Procurement, DICV along with other senior officials.

Mr Amit Sharma presented on Sourcing strategy followed by Daimler. He mentioned that about 90% of the parts were being sourced locally and added that parts for exports to Daimler's global locations were also routed through the office in Chennai.

The shop floor visit showcased the achievement corner, key



performance indicators, shop floor management under the parameters safety, quality, delivery, cost and morale and "learning island". A tour to the main line, engine assembly, engine main line, transmission area, vehicle assembly was organized.

The Global Automotive Research Center under the National Automotive Testing and R&D Infrastructure Project (NATRIIP), the largest and one of the most significant initiatives in Automotive sector so far, represents a unique joining of hands between the Government of India, a number of State Governments and Indian Automotive Industry to create a state of the art Testing, Validation and R&D infrastructure in the country.

The visiting delegation had the opportunity to see the following facilities at GARC:

- Vehicle evaluation lab
- Certification lab – safety components laboratory, photometry laboratory
- Fatigue Laboratory – Vibration shaker laboratory a tour was organized for the members
- Advanced passive safety Laboratory (APSL)
- Powertrain Laboratory
- Automotive Infotronics Laboratory
- Recycling unit
- and a tour of the recently completed and inaugurated test tracks was organized

Members found the visit to Daimler and GARC very meaningful and insightful. It further gave members an opportunity to interact and network with the OEM and institution. 38 delegates 33 companies participated in the visit and interaction.

### VISIT TO TVS MOTOR COMPANY LTD

Energy Management & Energy Conservation is fast becoming an important topic for the manufacturing industry. Therefore, ACMA organised a program on Energy Conservation and Energy Management on June 16, 2017 at the facilities of TVS Motor Company Ltd. TVS which hosted the event also shared its best practices, experiences and also showcased the implementation of the same during the visit to its facilities. It was an urge from TVS team to adopt green initiatives as this is the need of the hour.

Mr S Authimoolasundaram, Head, HR made a presentation on TVS and its activities, he spoke about the various kaizens that are done by employees in the area of energy savings.

Mr Rajendra Babu, Head, Facility Management gave a detailed presentation on the types of low cost energy such as Solar and Wind energy that helps in cost savings. To conserve energy the plant installed LED lighting and Pneumatics – ideal time cut off.

The TVS facilities visit also included a visit to the Central Power house where the team explained the power infrastructure and techniques used for energy management and conservation, power back-up,

automation and others were explained in detail which the participants found useful.



In all 27 participants from Southern Region member companies attended this program and found it very useful, they have requested to conduct more such programs, seminar and trainings on this topic.

### MEETING WITH PRINCIPAL SECRETARY INDUSTRIES AND EXECUTIVE VICE CHAIRMAN - GUIDANCE BUREAU, GOVERNMENT OF TAMILNADU

Government of Tamil Nadu invited ACMA for an interactive Session for formulating the "Single Window Policy" for the State. Mr. Kautilya Mishra, IAS, Principal Secretary to the Government, Industries Department, Government of Tamil Nadu Chaired a meeting organised by Ms. Shilpa Prabhakar Satish, IAS, Executive Vice Chairperson, Guidance Bureau on July 3, 2017.

Deloitte, being the knowledge partner of the Government for the policy formulation made a presentation on the aspects being covered under the proposed policy. ACMA gave inputs on some of the points during the discussions pertaining to reduction of manual intervention for clearances and clarifications on queries raised by the inspecting officers. The points were noted by the Government and Deloitte.

The Policy is expected to be rolled out by early next year.

# SFZ AUTOMOTIVE HUB

## ADVANTAGES

- Strategically good location on the world trade route.
- Advantages of distribution & re-distribution.
- Cost and time saving.
- FTA – Free Trade Agreement with USA.

## ECONOMIC INCENTIVES

- 100% foreign ownership
- No customs on imports & exports
- No taxes on profits and dividends for 30 years
- Minimal omanisation requirements (20%)
- No minimum capital investment or requirement
- No Restrictions on Repatriation of Capital, Profits and Investments
- Provision of one-stop services
- Fast Track Custom Handling and Processing

## GLOBAL HUB

### PORT

- On major international shipping routes with 2 weeks of major ports.
- Over 3,000 Commercial Vessel Calls per annum.

### AIRPORT

- 10km from SFZ
- Oman is within 4 hours of South Asia, 5 hours flight of Africa and 6 of Europe

### ROAD

- Direct highway access to GCC markets

### RAIL

- Railway to GCC under consideration



### CONTACT:

Ms. **TRIPTI PARSANI**, SFZ Country Manager, India  
Mobile: 0091-86 55 11 66 55 | Email: [tripti@sfzco.com](mailto:tripti@sfzco.com)

[www.sfzco.com](http://www.sfzco.com)

# WESTERN REGION

## 12<sup>th</sup> ANNUAL REGIONAL QUALITY CIRCLE COMPETITION

The 12<sup>th</sup> edition of Annual Regional Quality Circle Competition was organized on July 18, 2017 in Pune. Breaking all previous records, 12th edition of QC Competition saw participation from 75 teams. The competition was organized in three parallel streams to accommodate the number of teams with three sets of eminent jury members from OEMs.



Addressing the participants at the valedictory ceremony, the Chief Guest Mr. Rohit Bhatia, Vice President, Mahindra & Mahindra Ltd. said "the product quality should be such which doesn't require frequent repair."

On the occasion, Mr. Piyush Munot, Co-Chairman, ACMA Western Region and Director, KCTR Varsha Automotive Pvt Ltd. said "the participants should embrace this event as a platform which generates cross learning and focus on new technology and solutions to remain competitive in the world."



Overall 409 delegates attended the event from Pune, Gujarat, Aurangabad, Nashik, Mumbai, Satara, Kolhapur and Pithampur.

Mr. Pawan Srivastava, AGM -Car Plant Quality, Fiat India Automobiles Pvt. Ltd., Pune, Mr. Nitin Afajalpurkar, DGM, Six Sigma Services, John Deere India., Pune, Mr. Paresh K. Vaidya, Sr. DGM, Project Manager - Supplier Focus Six Sigma, John Deere India., Pune, Mr. Ravindra Borawake, Senior Manager ( Plant Engg. Dept.), Mahindra & Mahindra Ltd. Pune, Mr. Anjan Pal, BES, Tata Motors Ltd, Pune and Mr. Dinesh Joshi , Head Materials – Technology – Quality Assurance, Volkswagen India Pvt. Ltd. Pune were the eminent jury members

The following teams were announced as winners:

### Top three selected for National Competition :

Position	TEAM	COMPANY
1 <sup>ST</sup>	JIDNYASA	BHARAT GEARS LTD. MUMBRA
2 <sup>ND</sup>	SUNRISE	AVTEC LTD. PITHAMPUR
3 <sup>RD</sup>	SIGMA CHAMPIONS	SANJEEV AUTO PARTS Mfg. Pvt. Ltd.

### First Set of Runner –up

Position	TEAM	COMPANY
1 <sup>ST</sup>	SMART	CONTINENTAL AUTOMOTIVE COMPONENTS (I)Pvt. Ltd., PUNE
2 <sup>ND</sup>	PRAGATI	GABRIEL INDIA LTD., NASHIK
3 <sup>RD</sup>	AMBITION	MINDARIKA LTD., PUNE

### Second Set of Runner –up

Position	TEAM	COMPANY
1 <sup>ST</sup>	SANJIVANI	YAZAKI INDIA LTD., PUNE
2 <sup>ND</sup>	NIRMAN	BADVE ENGINEERING LTD., AURANGABAD
3 <sup>RD</sup>	PANTHERS	SETCO AUTOMOTIVE LTD., VADODARA

In addition to above, the presentation made - by QC team King Circle of Varroc Engineering Ltd., Pune, QC Team Schaeffler Challengers INA Bearings Ltd. Pune, QC team Yodha of Menon & Menon Ltd., Kolhapur and QC team Akanksha of Mahle Filter Systems (I) Pvt. Ltd., Pune were judged the best under Facility improvement, Productivity improvement, Safety and Cost reduction respectively.

**ACMA IPOS FORUM VISIT TO GALAXY BEARINGS LTD.**

ACMA Western Region organized IPOs visit to Galaxy Bearings Ltd., Rajkot on 27th July 2017. The objective of the visit was to see the operation and business excellence implemented in the company.



Five IPOs Getrag Transmissions, ISUZU Engineering, Kubota, PACCAR and ZF visited to the company. Mr. Vishal Ranpara and Mr. Ankur Kantesaria, senior officials from marketing and operation presented the overview of the company.

**ACMA IPOS FORUM VISIT TO ORBIT BEARINGS INDIA PVT. LTD.**

ACMA Western Region organized IPOs visit to Orbit Bearings India Pvt. Ltd., Rajkot on 27th July 2017. The objective of the visit was to see the operation and business excellence implemented in the company.



Five IPOs Getrag Transmissions, ISUZU Engineering, Kubota, PACCAR and ZF visited to the company.

**ACMA IPOS FORUM VISIT TO ROLEX RINGS PVT. LTD.**



ACMA Western Region organized IPOs visit to Rolex Rings Pvt. Ltd., Rajkot on 27th July 2017. The objective of the visit was to see the operation and business excellence implemented in the company.

**B2B MEETING WITH ACMA IPOS FORUM**

ACMA Western Region organized B2B Meeting with ACMA IPOs Forum on 28th July 2017 in Rajkot. B2B meeting was organized for 27 auto component manufacturers with eight IPOs – CNH, Electrolux, Getrag Transmissions, ISUZU Engineering, Kubota, Meritor, PACCAR and ZF.



In his opening remark, Mr. Piyush Tamboli, Chairman Western Region, ACMA & CMD, Investment & Castings Precision Ltd. said, "the objective of organizing such activity is to provide opportunity to the companies to share the capability of Indian auto component



industry and enhance the share of exports from India.”

Addressing the participants, Mr. K.V. Praveen, Co-Chairman, IPOs Forum, ACMA said in order to enhance export further the industry need to focus on five key points:

- Program management
- Improve supply chain
- Improve quality of tier -2 suppliers
- Improve design capability
- Be cost competitive

### INTERACTIVE SESSION ON GST TRANSITION AND THE WAY FORWARD

To create adequate awareness, share knowledge and ensure a smooth GST Transition, ACMA Western Region organized Interactive session on “GST Transition and The way Forward” in Pune and Ahmedabad on 14<sup>th</sup> & 16<sup>th</sup> June 2017 respectively.



Emminent professionals/experts from PWC, Ernst and Young , Grant Thornton, Deloitte, Sales Tax Department , Government of Maharashtra , Commercial Tax department , Government of Gujarat among experts from other well Known organisations shared their knowledge covering almost each aspect related to GST .

In his keynote address at Pune, Mr. Prashant Nandedkar, Joint Commissioner of Sales Tax , Pune said, “big companies have in-house facility but MSMEs need support from government to work on GST, almost 31% as on 14th June 2017 are yet to switch to the new tax reform.”

In Ahmedabad, updates in GST Law, Rate and impact on Auto Industries was presented by Mr. V.V. Dave , Joint Commissioner, Ahmedabad division 1 & Mr. B.K. Mankad, Joint Commissioner Corporate Commercial Tax , Government of Gujarat.

Over all 135 delegates (86 in Pune & 49 in Ahmedabad ) attended the session.

### INTERACTIVE SESSION WITH ACMA IPO FORUM

ACMA Western Region organized an interactive session with ACMA IPOs forum on July 27, 2017 in Rajkot. This was the first ever IPOs meet organized in a tier II city.



Eight IPOs CNH, Electrolux, Getrag Transmissions, ISUZU Engineering, Kubota, Meritor, PACCAR and ZF, while 27 auto component manufacturers participated in the session.

Mr. Praveen mentioned these kind of interactive sessions provide opportunity to explore possibilities for new business linkages for IPOs





and the suppliers.

### WORKSHOP TO SURVIVE DISRUPTION WITH INNOVATION LED TRANSFORMATION

Today auto component industry is passing through increasing disruption than ever before. However, as said by Dr Robert Schuller "Tough Times never last, But tough People Do", To prove this phrase, ACMA Western Region designed a program – "Innovation Led Transformation" on June 26, 2017 at Aurangabad.



#### The workshop focused on companies:

- Who have reached a stage where getting incremental improvements takes extra efforts
- Who are keen in getting Quantum Results, in Challenging Situations and Aspirational Projects
- Who are passionate in Creating A Culture of Innovation in their Organization



The Program content included innovation and its relationship with discovery, invention, lean, VAVE and case study innovation @ANAND

35 delegates attended the workshop.

### SESSION ON GUJARAT INDUSTRIAL INCENTIVE SCHEMES

To create awareness about various incentive schemes of Gujarat Government, ACMA Western Region organized a session on "Gujarat Industrial Incentive Schemes on June 16, 2016 in Ahmedabad.

Mr. D.R. Parmar, Deputy Commissioner of Industries, Government of Gujarat presented the latest updates on Gujarat Industrial Incentive Schemes and issues related to auto industries and schemes focusing on it.

Presenting the highlights of the Gujarat Industrial Policy 2015, Mr. Parmar said our vision is to make Gujarat a globally competitive and innovative industrial destination that stimulates sustainable development & promotes inclusive growth. Touching upon the various incentive schemes for MSMEs, the session highlighted capital investment subsidy, interest subsidy, technology acquisition, rehabilitation of sick unit and setting-up of R&D lab.

### TRAINING PROGRAM ON 5S AT REMSONS INDUSTRIES LTD DAMAN

ACMA Western Region organized a training program on "5S" on June 5, 2017 at Remsons Industries Ltd, Daman. 24 participants attended the program and the feedback was encouraging.





## TRAINING PROGRAM ON MANAGING DISPUTE AND WORKPLACE DISCIPLINE

In a fierce competitive and complex workplace organization with conflicting objectives and values like profit motive and social gain; discipline and freedom, authority and industrial democracy; bargaining and co-operation; coupled with conflicting interests of the individuals, groups, it is but natural to lead to a friction between management and the union resulting into industrial dispute at the workplace. Ineffective dispute or grievance redressal is one of the major causes for unrest affecting the growth of the enterprise.

With this backdrop, ACMA Western Region organised one day training program on "Managing Dispute and Workplace Discipline - its Legal, Quasi legal and Incidental aspects" on June 20, 2017 in Pune.

The workshop was aimed for HR/IR managers, professionals responsible for managing disputes and handling disciplinary action under various labour laws.

Case studies were held to explain an in depth Industrial Disputes Act, 1947; M.R.T.U. & P.U.L.P. Act, 1971; Schedule II Unfair Labor practices on the part of the Employers; Schedule III Unfair Labor practices on the part of Trade Unions; Schedule IV General Unfair Labor practices on the part of the Employers; The Industrial Employment (Standing Orders) Act, 1946; Applicability Of The Act; Model Standing Orders; Certification of Standing Orders; Display of Standing Orders; Binding Nature of Standing Orders; Act Of Misconduct; Domestic Enquiry; Subsistence Allowance; Grant of Leave.



Mr. Shriniwas Inamati, lawyer in industrial and labour laws . gave suggestions for harboring and preserving a harmonious and disciplined relationship in a work situation such as to have faith in the bona fides of the staff and accept their multi-channel potentialities.

Mr. Vibhute, former Sr. VP, HR at Kirloskar Oil Engines Ltd conducted the training and explained salient aspects of disciplinary actions with examples and process chart how the actions have to be taken on charge sheet. He also explained the process of Ex – parte Enquiry and Mode of serving communication In case of refusal to receive and Serving of letters of communications other modes.

16 participants attended the program.



### The 5<sup>th</sup> Steering Committee Meeting: UNIDO –ACMA –DHI Partnership Program

The 5<sup>th</sup> Steering Committee Meeting of the UNIDO-ACMA-DHI Partnership Program was held on 3rd July 2017 at Udyog Bhawan, New Delhi under the Chairmanship of Mr. Vishvajit Sahay, Joint Secretary, Department of Heavy Industries, Government of India.

Mr. Pravin Agrawal, Director, Department of Heavy Industries, Government of India, Mr. Rene Van Berkel, UNIDO India and other UNIDO officials were present for the meeting.

Mr. Koume explained that the current progress of UNIDO-ACMA-DHI partnership program that has covered 152 SMES (27% more than original target of 120 companies). The pool of counselors and National experts is currently a healthy mix of professionals with domain experience between 10 to 30 years.

Mr. Rene highlighted the need of continuation of program in order to make lower tier Indian automotive component manufacturers competitive. Mr. Chandrasekhar explained the proposal for next phase, which will involve technology upgradation, innovation and smart manufacturing.

Mr. K. Chandrasekhar accompanied Joint Secretary to 2 companies in Pune (M/s. KKDM Pvt. Ltd. & M/s. Ganesh Industries) who were part of the cluster. The visit was essentially to understand the nature/methodology of UNIDO's engagement and observe sustenance.



# INDUSTRY NEWS

## After GM's India exit, Volkswagen, Ford and Skoda also stare down the barrel

**In a market that at last count had over 17 carmakers, and in which the top four control over 75%, a legitimate question to ask is: who next after GM?**

*Excerpts from ET.Auto*

Last month, after over two decades in India, Detroit giant General Motors (GM) called it quits. The company will stop selling cars in India and focus only on exports from its factory in Talegaon in Pune. GM will shut down its plant in Halol in Gujarat.

It has been struggling in India, selling 25,823 cars in 2016-17, giving it a market share of under 1%. Its dealers and customers are still reeling under the shock.

In a market that at last count had over 17 carmakers, and in which the top four control over 75%, a legitimate question to ask is: who next after GM? It's also pertinent considering that all is not well at many of the bit players — in India as well as at the global headquarters.

Look under the hood at Volkswagen India. It has been hit by a flight of senior honchos at the sales division. The head of sales, national head of corporate sales and south sales manager have reportedly quit.

### **VOLKSWAGEN**

MARKETSHARE: 1.6%  
Year of India entry: 2007  
Investments: Rs5,963 cr  
Infrastructure: A factory with 200,000 capacity in Chakan in Pune (shares infrastructure with Skoda)  
Employees: 3,500  
Exports\*: 86,852  
Domestic sales\*: 50,042  
Sales & after sales network: 123 dealers and 122 service centers in 105 cities

More exits are said to be in the offing. The world's largest carmaker that sold over 10 million cars as a group in 2016 is struggling in



India. Under the mother VW brand, the Indian outpost sold 50,042 cars in 2016-17, yielding 1.6% in market share. "India is indeed one of the toughest markets," says Andreas Laueremann, managing director, Volkswagen India. But he has reason not to give up. "If you can crack it, you can practically access many more such markets around the world. We know that the Indian market is destined to be one of the biggest markets in the years to come."

After GM's India exit, Volkswagen, Ford and Skoda also stare down the barrel. Group firm Skoda too is on a rough road, too. The India MD Sudhir Rao recently put in his resignation, and will serve his term till the end of June. Skoda India sold just 13,712 units in 2016-17 for a 0.45% market share. Skoda officials did not respond to emails from ET Magazine.

### **Skoda**

MARKETSHARE: 0.45%  
Year of India entry: 2001  
Investments: NA  
Infrastructure: A plant in Aurangabad  
Employees: 800  
Exports: 0  
Domestic sales: 13,712  
Sales & after sales network: 66 sales outlets, 67 service workshops across 58 cities  
Current models: Superb, Octavia, Rapid

Elsewhere, the other Detroit giant Ford is facing problems of a different kind. Global CEO Mark Fields, who took over the top job in 2014, was recently replaced. Underperformance of the stock and Ford's inability to expand the core business are two big reasons for Fields falling out of favour with the Ford board led by chairman Bill Ford Jr.

### **FORD**

MARKETSHARE: 3%  
Year of India entry: 1998  
Investments: Rs12,888 cr  
Infrastructure: Factories in Chennai (Tamil Nadu) and Sanand (Gujarat)  
Employees: 14,000  
Exports\*: 158,469  
Domestic sales\*: 91,405

Sales & after sales network: 376 sales and service outlets in 209 cities

Current models: Figo, Aspire, EcoSport, Endeavour/Everest, Mustang

In India, the company isn't exactly vrooming. Despite an investment of \$2 billion in two factories and a decent product portfolio with EcoSport, Endeavour, Figo, Aspire, the company sold just 91,405 vehicles in 2016-17 for a market share of 3%. "With the market and financial performance not meeting our expectations, we continue to evaluate our business model to deliver a sustainable, profitable business in India over the long term," says Anurag Mehrotra, MD, Ford Motors India.

Then there's Fiat, whose presence in India predates Suzuki, but which sold just 5,665 units in 2016-17 (market share: 0.0018%). This isn't for want of trying. Operating as Fiat India Auto for long in partnership with Premier Automobiles, in 1997 it shifted gears and set up a 50:50 joint venture with Tata Motors to build its India presence.

## FIAT

MARKETSHARE: 0.0018%

Year of India entry: 1997\*\*\*

Investments: Rs1,804 cr

Infrastructure: Factory in Ranjangaon near

Pune. R&D center in Chennai and engineering centre in Pune

Employees: 1,200

Exports\*: 135

Domestic sales\*: 5,665 units

Sales & after sales network: 60 dealers

Current models: Linea, Punto, Urban Cross,

Jeep Grand Cherokee, Wrangler

Its corporate structure underwent another change in 2014 and it now operates as FCA (Fiat Chrysler Automobiles). A launch of a made-in-India Jeep Compass, a sports utility vehicle, is around the corner. Analysts expect the vehicle — in which Jeep India has invested Rs 1,800 crore — to be priced between Rs20 lakh and Rs 25 lakh. Says Kevin Flynn, MD, FCA India: "We see a great future in India and would like to grow profitably. India is undoubtedly one of the most complex markets in the world but we embrace the challenges."

Slightly better off than Fiat in India is Nissan, although the crucial difference is that the Japanese carmaker made a much later entry. Nissan, which launched its first India model — the Micra — in 2009, sold 57,300 units in 2016-17. Market share: 1.88%.

## Nissan

MARKETSHARE: 1.9%

Year of India entry: 2005

Investments: Rs6,100 crore

Infrastructure: Has a factory and an R&D centre in Tamil Nadu in alliance with Renault

Employees: 15,000\*\*

Exports\*: 109,459

Domestic sales\*: 57,300

Sales & after sales network: 279 sales and service outlets in 174 cities

Current models: Terrano, Sunny, Micra, Datsun GO, GO+ and redi-GO

The Indian car market in many ways is in sharp contrast to the international landscape. For instance, Suzuki Motors is a relative global minnow (ranked 10th), but it has been numero uno on Indian roads by far over the last three decades. In multiple waves, giants like VW and Toyota announced big plans and ambitions for the Indian subsidiary.

Maruti Suzuki, the predominantly small carmaker, has outsmarted them all and today lords over 47% of the market. Together with Hyundai Motors, the top two players have kept tight control over close to 65% of the market.

Such a concentrated market is a rarity in the capex-heavy automobile world where economies of scale are critical. Now, as losses mount amid a bruising battle, humbled global giants — with their foundations built around big pricey cars — are taking stock of their India operations afresh.

Two undercurrents — one internal and the other global — may decide the fate of the MNCs' Indian operations. From emission to safety norms, India is overhauling its policy framework. Like China, the Indian government is biasing policy towards electric vehicles as it tries to curb pollution and leapfrog automotive technologies.

Add to this the rising per capita income and consumer aspirations, which are shifting the centre of gravity towards relatively larger and pricier cars. Could these shifting strands finally open doors and lead to some shuffling of the deck in India's Motown?

It's a hope that many have. "A decade back, we were at 40,000 in China. Today we do a million. It was the same thing for us in Mexico. We hope to do the same in India," says Arun Malhotra, MD, Nissan Motors India.

Multiple issues have roiled the automotive industry globally in the recent past. Take the emissions scandal of 2015, for which VW will end up spending over \$18 billion to fix the problem and pay a criminal fine of \$2.8 billion in the US. Undoubtedly, this burden will significantly constrain VW's moves globally.

New technologies from driverless cars (led by Google, Apple) to EVs (think Tesla) are shaking up the industry, building pressure on global MNCs, impacting their satellite operations. Some of these global pressures will weigh on their India plans.

One Last Time... Despite the global headwinds, exiting India will not be an easy decision. India is perhaps the fastest growing large market globally and one of the last big frontiers to be won after China. There is this tantalising promise of India becoming the world's third largest car market by 2020 at close to 5 million (from over 3 million currently). But do the MNC chiefs see that potential from their global headquarters? ¶ With small (sales) numbers compared to global volumes, some subsidiaries struggle to get the priorities in investments and new products at headquarters' attention, says Rakesh Batra, partner (automotive), EY.

Or, if they get the attention, will it be for all the wrong reasons, as in GM's case? To be sure, taking the call to leave isn't easy either, as exiting India can be an expensive strategy in itself.

It shakes consumer confidence in the brand, and has long-term repercussions," says Nagendra Palle, MD, Mahindra First Choice, a used-car dealer network. Soon after GM's exit announcement, its cars saw a sharp 20% price drop in the used car market. In a typical four-year old car, depreciation could vary in the used car market. X Maruti cars lead at 54% of the value, Nissan 39% and Fiat 32%.

Staying in India isn't easy. But quitting may make a future re-entry harder. French carmaker Peugeot, of course, may want to disagree. After exiting India in the late '90s, it's now readying for a second wind.

## Higher GST on inputs accessories to hit tractor makers

**With inputs and accessories of tractors being brought in the 28% slab under GST, the effective tax would jump to 19.6% (tax for about 70% of the inputs). Incidentally, tractors (except road tractors for semi-trailers with engine capacity of more than 1800 cc) have been brought under the 12% tax slab in GST. This means that tractors would be taxed at 12% while the gearbox, hydraulic pumps, metal parts and forgings in the same would attract 28% levy.**

*Excerpts from ET.Auto*

The Goods and Services Tax (GST) is likely to hit makers of tractors and ultimately farmers who buy them. The inputs and accessories of a tractor now attract a total tax of 17.5% now (central value added tax (Cenvat) of 12.5% plus state VAT of 5%).



About 70% of the inputs that go into making a tractor are procured locally and the rest from outside the state of manufacture/assembly. Apart from Cenvat, a 2% central sales tax is levied on inter-state purchases resulting in an effective tax of about 13.7%.

With inputs and accessories of tractors being brought in the 28% slab under GST, the effective tax would jump to 19.6% (tax for about 70% of the inputs). Incidentally, tractors (except road

tractors for semi-trailers with engine capacity of more than 1800 cc) have been brought under the 12% tax slab in GST. This means that tractors would be taxed at 12% while the gearbox, hydraulic pumps, metal parts and forgings in the same would attract 28% levy.

The catch is that manufacturers can charge only 12% out of the effective tax of 19.6% for inputs, parts and accessories to the customer and claim the rest only as a refund from the government. Since the nearly 6% differential gets locked up and refunds take time, small and medium manufacturers of inputs and accessories would be severely affected, industry officials said. For example, a manufacturer using material worth Rs 7 crore would have to wait for a refund of about Rs 40 lakh. "Our profit margins, which are only 8%-9%, will be completely wiped out," a senior industry official said.

Worse still, manufacturers will not be able to pass on the hike to customers as inputs and accessories for tractors come under the exempted list where only tax refunds are allowed.

Tractors were fully exempted from excise duty in the 2004-05 union budget of the first UPA government.

"This is a big blow to the tractor spare parts, attachments and implements manufacturers. This will ultimately affect farmers," the official said. As per the new list of GST, goods falling under 'HS Code- 8708' or 'parts and accessories of motor vehicles' are charged 28%.

"This includes parts and accessories of tractors, cars and other passenger and goods vehicles," the official said.

"Earlier a separate sub-classification for parts and accessories of tractors were given, which were attracting 12.5% (Cenvat) and 5% (state VAT) totalling to 17.5% tax. But now due to clubbing of tractor parts with cars parts, the same attracts 28% GST," he said. "It is a big injustice to farmers and small scale tractor parts, implements and attachment manufacturers," the official stated.

Tractor makers sold around 582000 units during 2017-18. "Cars and tractors are being treated the same way," industry officials said. The industry is now seeking a lower GST of either 12% or 18% for the inputs and accessories or a mechanism to ensure regular, speedy tax refunds. Last month, after over two decades in India, Detroit giant General Motors (GM) called it quits. The company will stop selling cars in India and focus only on exports from its factory in Talegaon in Pune. GM will shut down its plant in Halol in Gujarat.

It has been struggling in India, selling 25,823 cars in 2016-17



# Quality. It's in Our DNA.

**Because quality matters.** And every day our people go to work with one goal in mind... Make sure our parts are engineered, manufactured and tested to Delphi quality before they reach you. No matter what the product. Or where it's manufactured. Quality is part of our OE heritage. It's in our DNA. And the end result is guaranteed. Not just quality. Delphi quality.



**Not Just Quality. Delphi Quality.**

[delphiautoparts.com](http://delphiautoparts.com)



A Company of



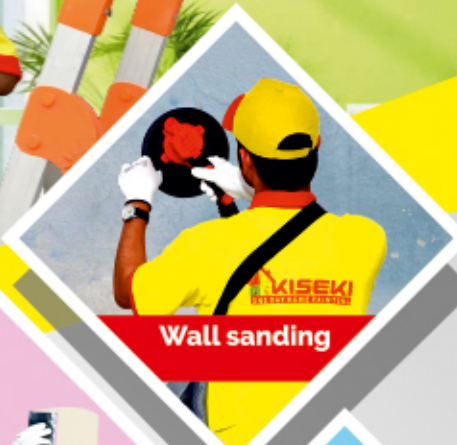
Introducing  
First Ever Unique

1

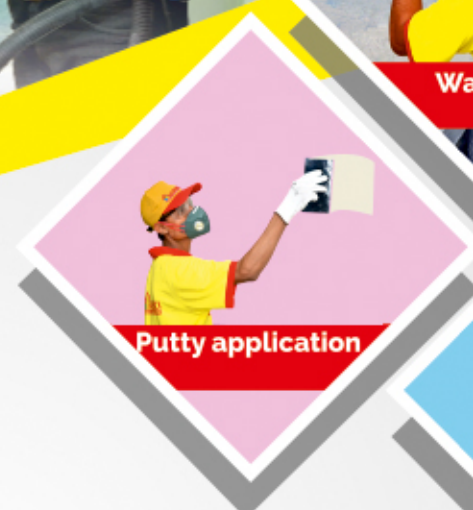
**DAY HOME  
PAINTING**  
in India

for queries  
Call Toll free no.

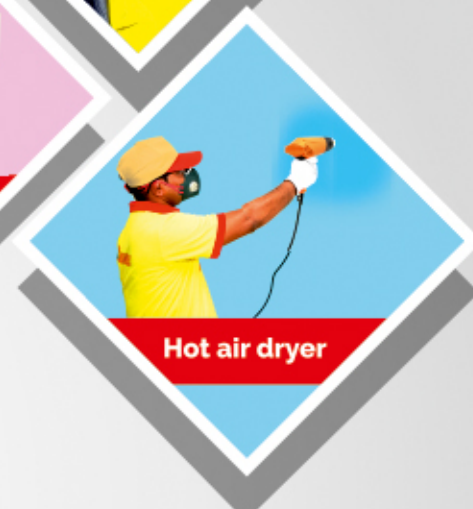
**18001027143**



Wall sanding



Putty application



Hot air dryer

- Value for money
- Hassle free
- Stain free wall coatings
- Complete home painting in just one day
- Use of new age application equipments
- Smooth & Silky luxury finish

for Online Order Log on:

[www.kisekihomepainting.com](http://www.kisekihomepainting.com)

download app .KISEKI one day home painting



Manufactured & Marketed by:  
**Maharani Innovative Paints Pvt. Ltd., Faridabad-121005, Haryana(India)**  
A Company of C.Dass Group  
( Serving Paint Industry since 1986 )

AUTONEWS

Edited & Published by the Director General, Automotive Component Manufacturers Association of India  
The Capital Court, 6th Floor, Olof Palme Marg, Munirka, New Delhi - 110067 |  
Designed at Ashes Design Studio, 9999114295