

AUTO NEWS

Automotive Component Manufacturers Association of India

ACMA

Renewal of MoU with FAPM, New Delhi



Buyer - Seller Meet, Gurgaon



Contents

J.D. Power's India Automotive Report	3
From the Regions	5
ACMA in the Press	13

National Committees	17
Members' Room	23
Members' Feat	24

Indian auto components industry needs to step up its game

- J.D. Power's India Automotive Report

The automotive component industry in India is a critical part of the growth being experienced by the country's light vehicle market at the present time. However it is also the weakest link in the chain, in terms of its capacity to produce enough high quality components, as well as its ability to innovate and develop new parts on its own.

Since the past year, when the Indian vehicle market rebounded strongly, manufacturers have been struggling to ramp up their output mainly because Indian parts suppliers were unable to meet the increased demand for components. This was due to a shortage of investment in expanding their facilities, as they believed the market would take much longer to recover than it actually did.

However to their credit many of the major Indian supplier groups have begun to invest in upgrading their existing facilities and building new plants that would allow them to meet demand in the future. Many of them are also focusing on building up their research and development capabilities so that they can innovate and develop products on their own.

Also, with India making a determined effort to become a global production center for small cars, several local suppliers are already meeting global quality standards. For example, India is the only country that builds the Hyundai i10 sub compact model for supply to the rest of the world. And the majority of parts that go into this vehicle are procured from component manufacturers based in India.

The recent earthquake and tsunami in Japan, and its adverse impact on parts supplies and global vehicle production may offer a significant opportunity to the Indian auto component industry. The disaster that struck Japan in March clearly highlighted the overdependence of Japanese and even global manufacturers on just one supplier for many automotive parts.

Currently almost all the big global automakers are taking another look at their sourcing strategy and trying to figure out whether it makes sense to continue with this strategy of depending on just one supplier. After doing a cost benefit analysis they may well decide to diversify their supply base and if this does happen then it presents Indian suppliers with a unique opportunity to tap into the global automotive industry.

The Japanese manufacturers that were hardest hit by recent events in their country could also be looking to source parts from new suppliers. This would enable them to avoid vehicle production losses in case of another natural calamity.

However we firmly believe that while this is an opportunity for the Indian auto component suppliers, it is one that they are unlikely to be able to tap into at least in the near future. The reasons for this are manifold and include the lack of scale, capacity, technology and the unavailability of some advanced raw materials.

Another weakness is that the smaller Tier 2 and Tier 3 suppliers, which are usually family owned businesses have struggled to expand their production capacity and improve their research and development (R&D) capability in line with the growing requirements of Tier 1 suppliers and vehicle manufacturers. The result is a bottleneck created up the value chain, which is now threatening to choke the growth of India's light vehicle market.

The lack of sufficient capital, reluctance to take risks and the shortage of skilled manpower are the key reasons for the slow maturity of India's Tier 2 and Tier 3 suppliers. Many component makers are also yet to understand the need for discipline, consistent quality and timely delivery – attributes that make them lag behind global suppliers.

Suppliers also need to catch up with other countries, particularly in south east Asia, where there is greater discipline within the workforce, higher quality, timely deliveries, customer focus and a better understanding of the needs of clients. These smaller suppliers also need to understand that there is greater integration within the industry, and that the necessity for higher efficiency is driving the move towards modules and sub-assemblies.

In the future smaller suppliers would also need to develop their ability to design and manufacture modules since it will become increasingly difficult for them to make just a single part and survive over the long term. This is a difficult task, and smaller component makers will struggle to live up to the challenge.

Therefore, the automotive industry including the vehicle manufacturers need to acknowledge and address these core issues. In fact they need to help suppliers move up the value chain, whether it is in the form of financing, technology transfer or workforce training.

Greater cooperation between vehicle makers, Tier 1 suppliers and the smaller parts makers is very important if the component industry hopes to grow within the country and tap into emerging opportunities on the global stage.

For more information about J.D. Power's India Automotive Report, please contact Ms. Sukanya at sukanya_tunhau@jdpa.com

FROM THE REGIONS

EASTERN REGION

Delegation of Shop Floor Associates to Abilities India Pistons & Rings Ltd.

Ghaziabad: April 18, 2011

The characteristics that set apart companies that achieve high levels of customer satisfaction is the willingness to learn from and share with others. They "grasp" and "share" openly because they have learned how valuable that process is. This is absolutely true for Abilities India Pistons & Rings Ltd, Ghaziabad.



After the December 2010 visit of Eastern Region CEOS to Abilities India, it was felt that even the shop floor associates should visit the co. to learn co's best practices.

The best practices sharing involves to capture, disseminate and share work method, process, or initiative to improve organizational effectiveness, service delivery and employee satisfaction, said Mr. Ranjot Singh, Regional Coordinator, ACMA (ER), who was leading the delegation.

The USP of the company is Six Sigma approach, quality circles in all the departments, 5S, Poka Yoke and Kaizen; part of daily activities and focus on employee engagement and involvement and this was evident by the various



awards received by the company for Quality and Total employee involvement.

The strength of the company is its HR Department which ensures total employee involvement. There is a common canteen and common uniform for all. Various programmes are run by the HR department for motivation and social corporate responsibility.

Mr. Sunil Arora, Managing Director of Abilities India Pistons & Rings Ltd. requested the delegation to discuss the take home points and also give suggestions for further improvements.

The take home points for the delegation were;

- 1) Visuals all over the plant
- 2) Various Kaizens done and documented
- 3) Canteen
- 4) Gift Scheme and display of prizes in the Canteen to motivate the employees
- 5) Total Employee Involvement
- 6) Kitchen Garden maintained by the employees
- 7) Good House Keeping
- 8) Smoke free plant

Workshop on Gearing for Scaling-up Jamshedpur: April 29, 2011

Growing is less risky than not growing, yet millions of SMEs languish in their groove for decades. A half day workshop was organised in an attempt to identify the issues and barriers of the SMEs to becoming big, on 29th April 2011, Jamshedpur.

The faculty, Dr. Sharad Sareen designed the programme for training/upgrading entrepreneur/owner in the SMEs space to gear them up for the next level. This was the introductory workshop. It also triggered an agenda for the subsequent workshops of managing growth.

The participants, while welcoming Mr. Killol Kamani, Chairman, ACMA(ER) said that the SME sector is slowly and steadily emerging as an important sector in the country. The small and medium units in the country have contributed 40% towards creation of jobs after the economic slowdown, and 10 lakh jobs each year. How do small and medium enterprises, or SMEs, scale up? How do they become process-oriented while still retaining their entrepreneurial drive? How do they think big and attract talent to match their ambition? How to grow and how to scale-up in

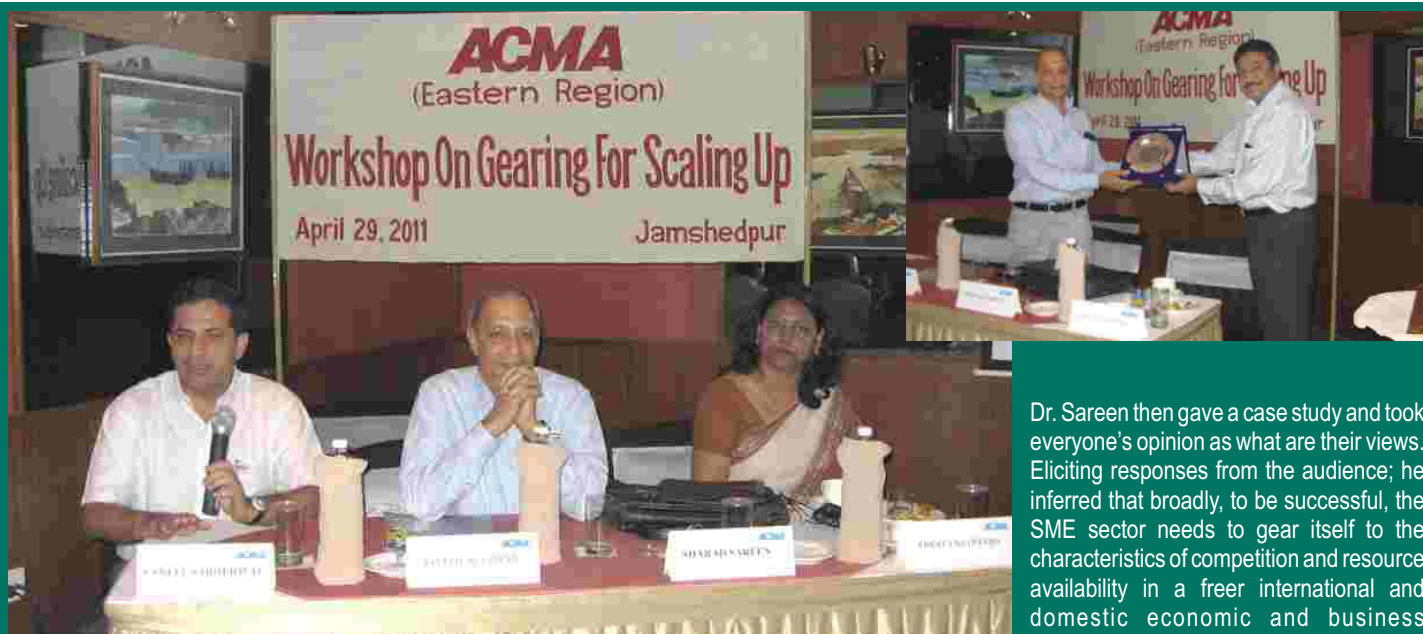
unfavourable regional environment is the question each SME faces now-a-days, he said. He then invited Dr. Sharad Sareen to take the dais.

Dr. Sareen started with the problems faced by SMEs i.e., largely infrastructure and easy availability of capital. SMEs need to imbibe cutting edge technology. Despite major constraints, there are numerous examples of SMEs growing into big industries.

Dr. Sareen shared the example of XLRI, which was established in 1949 in a room of a hotel by Jesuit brothers to bargain better for the workers of Tata Steel Ltd and today it is considered as one of the top management institutions of India.

L&T- in 1938, two engineers came from Denmark and saw that there is ample opportunity in the area of infrastructure and started in a very small way and the rest is history. Similarly he gave examples like, Tata Steel, Infosys, Reliance Industries Ltd. etc to establish following outcomes:-

- 1) The first important thing is the Vision- To start a venture and to make it big; one has to have a dream, a vision to make it happen. Unless the dream is there, the drive to achieve the impossible is not there.



Dr. Sareen then gave a case study and took everyone's opinion as what are their views. Eliciting responses from the audience; he inferred that broadly, to be successful, the SME sector needs to gear itself to the characteristics of competition and resource availability in a freer international and domestic economic and business environment:

Dr. Sareen also requested the members to dream big as it cost the same whether you dream big or small. Today people are not dreaming, that is the main tragedy, he said.

- 2) Develop your own idea of growth- Dr. Sareen referred to Mr. J. R. D. Tata who, when retiring, was asked, "How do you see your growth?" He replied "I feel happy because we did not compromise with our value system. If we would have compromised, we would have grown twice". So it is always important to know what kind of growth one is seeking for.
- 3) Create challenges for yourself and for the organization
- 4) Accept changes, come out from your comfort zone and make changes in your organization as per the changes in trends.
- 5) 100% commitment to achieve your goal.

Dr. Sareen emphasized that the prime movers for progress are now intense competition, expanded global markets within reach for all, technology, including ICT (Information and Communications Technology), and greater financing alternatives and availability. Extraordinary opportunities for investment and growth are also matched by equally significant threats .to the survival and success of enterprises if they are not efficient and 'world-class' in their Business and Operational Processes. You need to think 'big' to become 'big'. Being very small in manufacturing reduces business flexibility while increasing costs, making the unit non- competitive. Across the world, in business, Profits are no longer generated necessarily from increase in prices, but only from a lowering of costs: in design and development, in manufacturing, and in logistics, he said.

1. Clearly it is "the Intelligent vs. the Intelligent".
2. Technology and 'Standards' play a key role.
3. Speed of Response / Time to Market.
4. Telecommunication in all its forms is no longer a bottleneck and is highly affordable.
5. The Internet accesses your target markets and consumers at the "speed of thought".
6. 'Business Volumes' never imagined before.
7. Competitive pricing, again never experienced before.
8. Flexible cost options on sourcing of components and raw material - from anywhere in the world.
9. Falling interest rates and options on sourcing of funds.
10. Increased funding for Technology Upgradation.
11. Venture Capital Financing.
12. Joint Venture Possibilities.
13. Locating Plants nearer overseas markets.
14. Exports as a facilitator of increased business growth.

The possibilities are infinite because the whole world is wide open for those who can see beyond 'domestic constraints', Dr. Sareen Said.

Mr. Sanjay Sabherwal, Dy. Chairman, ACMA(ER) proposed vote of thanks and the programme ended.

Workshop on Effective Communication for Improvement Jamshedpur: May 19, 2011

ACMA (ER) successfully organized a full day workshop on "Effective Communication for Improvement" on 19th May 2011, Jamshedpur.

The workshop mainly focused on how communication affects the working life and how effective communication improves the quality of working life. The programme mainly involved the middle level associates who most of

the time deals with the senior as well as junior level associates. The main aim to organise this workshop was to create awareness for the importance of an effective way of communication.

The topic "Effective communication" is an essential component of organizational success whether it is at the interpersonal, intergroup, intragroup, organizational, or external levels, said Mr. Killol Kamani. Communication skills have to be developed, honed and added to on an on-going basis. They are the heart of interpersonal skills and the greater

the awareness of how it all works, the more effective communication is, he said.

The faculty, Mr. Chandreshwar Khan, in the workshop covered topics like:-

- 1) Definition of communication
- 2) Process & process model of communication
- 3) Importance
- 4) Purpose of communication
- 5) Effective communication
- 6) 7 C's of communication
- 7) Ten commandments of good communication
- 8) Key for good communication.

Mr. Khan understood the psyche of the participants very well. He coined the terms beautifully to make people understand various terms related to an effective communication. He used various techniques like enactment, observation, group discussion, individual attention to minute details, etc. to make the topic easy to understand.

To communicate well one has to be a good listener also, as good communication seldom happens by chance. A lot of planning is needed as we share facts, feelings, ideas and attitudes. Our body language too plays an important part while communicating anything, Mr. Khan said.

Mr. Khan also gave a situation to all the delegates dividing them into different groups and told them to communicate by enacting without speaking first and rest of the delegates had to decipher what they want to communicate. This activity truly established the relation between communication, effective communication, body language and how it affects our work culture.

Mr. Khan also spoke about the MISS and KISS principles of communication which means making it (Communication) sweet and



simple and than keeping it sweet and simple should be the mantra of an effective communication.

The seven C's tells us the essential elements of an effective communication. They are, candid, clear, complete, concise, concrete, correct, and courteous.

The ten Commandments of good communication are;

- 1) Clarify your ideas
- 2) Examine the true purpose of each communication
- 3) Consider the environment for your communication
- 4) Where appropriate, consult with others when planning your communication
- 5) Be aware of the overtones as well as the content of your message
- 6) Convey something of help or value to the audience
- 7) Follow-up your communication
- 8) Communicate for tomorrow as well as for today
- 9) Be Sure your action support your communication
- 10) Be a good listener.



NORTHERN REGION

Training Programme on Workplace Improvement through Team Building
New Delhi: April 20, 2011

ACMA (NR) organized a one day training programme on Workplace Improvement Through Team Building on 20th April, 2011. The focus of the training programme was on Team Building and how to improve workplace through team work.

Mr. Rajiv Mathur, Founder & CEO, Aakansha Management Group said that Team Building is an essential part of today's business environment. Explaining the spirit of Team work he said that teams are collection of organisation's best assets and each team member has specific talents. By combining individuals in a team, all of these talents are joined to work towards a common goal.

Explaining on the team development he said that a team goes through five stages of development

- Forming Stage - The forming stage involves the introduction of team members
 - Members are likely to be influenced by the expectations and desires they bring with them and will be keen to understand how the group will operate.
- Storming Stage - Team members at this stage will have

difference opinions as to how the team should operate.

- Team will be experimenting on how they would work together.
- Norming Stage - During this phase, team members settle down and start to feel more comfortable working with each other. -Co-operation & collaboration replace the conflict and mistrust of the previous stage
- Performing Stage- This is the final phase, where emphasis is on reaching the team goals, rather than working on team process.



- Relationships are settled and team members are likely to build loyalty towards each other
- Adjourning/ Ending Stage - This is the disbanding stage and is a test of how well a team has worked together.
 - Often successful team once disbanded, keep in touch afterwards and certainly feel a bond when meeting up in the future.

Mr. Mathur also shared the reasons for the failure of a team and explained the benefits of Team work. Mr. Mathur said it creates better working environment, enhances productivity, improves communication, relieves stress, reduces errors and keeps communication lines open for further improvements.

Workshop on Failure Mode and Effect Analysis (FMEA)
New Delhi: April 29, 2011

Continuing the practice of knowledge sharing on New Product Development, ACMA (NR) organized one day Workshop on Failure Mode and Effect Analysis (FMEA) on April 29, 2011, New Delhi.

Explaining what FMEA helps in, the faculty Mr. Sanjay Mudgal said that it focuses on prevention & detection. It is a method to determine the need and priority of actions. He further explained that FMEA is an analytical tool addressed through out the product/process development (APQP).

Ideally the design FMEA process should be initiated in early stages of product design and process FMEA before tooling or manufacturing equipments developed said Mr. Mudgal. He further elaborated that FMEA was an integral part of managing risk and support continual improvements. Explaining the five phases of Product development which included:

- Plan & Define Program
 - Product Design & Development
 - Process Design & Development
 - Product and Process Validation
 - Feedback, assessment and corrective action.
- Mr. Mudgal also explained that FMEA must address the following:

- Functions, requirements and deliverables of the product or process being analysed.
 - Failure modes when functional requirements are not met.
 - Effects and consequences of the failure mode.
 - Potential causes of failure mode
 - Actions and controls to address the cause of failure mode
 - Actions to prevent recurrence of the failure mode
- The programme was attended by 22 participants and found the workshop informative and applicable in their areas of work.



**Training Programme on Daily Work Management
New Delhi: May 11, 2011**

ACMA (Northern Region) organised a One Day Training Programme on Daily Work Management on 11th May, 2011.

The faculty of the programme, Mr. Sanjay Mudgal defined Daily Work Management as a system that enables better management of Departments, Functions and Processes. He further explained DWM as the management of routine processes by discovering abnormalities taking countermeasures and preventing their recurrence. DWM addresses maintenance and continuous improvement and helps to work efficiently and is essential to all organizations, he added.

'Establishment of Ownership' of any process is must, which acts as a base for DWM system for a better understanding.

Explaining the importance of DWM he said that when an abnormality occurs in the current process, we should ask for 3 key questions

1. Do we have a standard?
2. Is the standard adequate?
3. Was the standard followed?

He also laid stress on Safety and training of operators in order to create ownership and accountability. Mr. Mudgal suggested using visuals like posters, pictures, graphs on safety, quality, quantity and cost which were the best ways of focusing attention.



**Zero Defects through POKA YOKE
New Delhi: May 20, 2011**

Based on the overwhelming response and feedback received from the participants in the earlier programs held on the subject, ACMA (Northern Region) once again organized a one day training programme on Poka Yoke on 20th May, 2011.

Mr. Sanjay Mudgal the faculty of the programme said that the first principle of quality starts with the objective to give zero defect products & services



to customer. He also explained the difference between correction, corrective action and preventive action. He also shared 3 steps to achieve zero defects which are Self Inspection, Sequential Inspection, Source Control.

Mr. Mudgal explained about 6M factors :

Man, Material, Machine, Method, Measuring Equipment and Material Handling Equipment. He also shared some common examples of Poka Yoke with the participants.

He said that POKA YOKE is the Japanese technique started by Dr. Shigeo Shingo to avoid human error at work to achieving Zero Defect.

This technique is a highly effective way to reduce 'Mistakes' and boost 'Quality' and is a device which prevents incorrect parts from being made or assembled or easily identifies a flaw or error.

Training Programme on SMED
New Delhi: May 27, 2011

Considering the positive impact on productivity that a subject of Single Minute Exchange of Die (SMED) can have in manufacturing units, ACMA Northern Region organized a one day training programme on SMED on 27th May, 2011 in New Delhi.

Referring SMED as an approach to continuous Improvement and to QCO (Quick Change Over) reducing the change over time to one digit, Mr. Mudgal mentioned that it was an approach to support the movement towards small lot size runs thereby reducing inventory and increase productive run time to achieve increase in throughput and reduce total costs. He also said that SMED is also known as set-up time reduction.

Mr. Mudgal added that the time that is required to process a customer order from order entry till shipping the product to the customer is known as Lead Time. He also mentioned that



the first principle of quality starts with the customer and the objective is to give zero defect products & services to customer. He further explained the difference between correction, corrective action and preventive action.

Elaborating further on the Set-up Reduction he said that it was a process through which the total time required to changeover or set-up the equipment or a work center was drastically reduced through a systematic, problem-solving, waste-eliminating approach to support the movement towards small lot size runs. He explained that the goal should always be to completely minimizing any set-up or changeover time, through product redesign, machine and tooling modifications as the Preparation step and Trail Runs & Adjustments occupies most of time during the set-up process.

Standardization of product design and tooling is a key factor in order to find ways of simplifying and eliminating variations that don't add value to products he said.

SOUTHERN REGION

Demand drives the second edition of Training Programme on "Effective Communication Skills"
Chennai: April 12, 2011

Having been unable to accommodate the response from the membership at it's the first edition of the training programme on "Effective Communication Skills", ACMA Southern Region organized the second edition of the same April 12, 2011 in Chennai.

30 delegates were part of this Workshop which was conducted by Prof. Muthu Singaram, Chief Mentor, Professional Quality Management Development Centre P. Ltd. along with Ms. Renu as faculty for the training programme.

The objective of the programme was to develop communication skills and

thereby making an impact with other people, improving these skills for easier working relationships and its effective use in the workplace. Effective communication skills can build positive relationships, reduce communication barriers, improve business outcomes and help in dealing with situations assertively emphasized Prof. Muthu during the training session.

The topics covered included The ten commandments of positive relationships, Communication barriers, Self-Awareness, Communication, Communication barriers, Asking questions, Listening skills, Remembering names and Body language. The training programme was interactive with team exercises.

Good learning with high level of relevance was the feedback from the participants at the Workshop.

Visit to and Interaction with Volvo Buses India Private Limited Hosakote, Karnataka: April 12, 2011

ACMA – Southern Region organised a plant visit to Volvo for its members. This was the first ever visit by an ACMA delegation to Volvo plant in India. The Objective of this visit was to enhance the relationship between the OEM and the suppliers. This visit was also to understand the strategy of Volvo buses in terms of growth and vendor management. It was felt that this would help ACMA members in understanding the modalities of working with Volvo. Interaction with the senior management was one of the ways in getting to know the whole picture.

Keeping in mind the above objective the Volvo plant visit was planned on 12 April 2011. 29 participants from member companies from the Southern, Western and Northern Regions participated at this visit.

The delegation also interacted with management team of Volvo Buses led by Mr Akash Passey, MD – Volvo Buses India Private Limited who welcomed the ACMA members and introduced his team. Mr. Passey

mentioned that Volvo planned to manufacture 5000 units in India by 2015. He also mentioned that the trucks segment which was seeing growth in the off-highway segment would also see entry and growth in other segments in the near future. The growth for Volvo Buses, he mentioned was in the mid segment category of buses.

Mr Sohanjeet Randhawa – Head marketing during his presentation mentioned that the Indian facilities generated revenue of \$1.5 billion which included the trucks as well. On localization, Mr. Sohanjit mentioned that 40% to 50% of the products were localized and that engine and driveline were also being looked at for indigenization in a phased manner over the next few years. The engine facility was being developed by the Volvo-Eicher Joint Venture, he added.

ACMA members discussed at length about localisation of components and saw some positive response from the Volvo team. The Volvo purchase and logistics team Mr Collins and Mr Devraj gave a presentation on the supplier / vendor aspect from Volvo's perspective. This covered the various aspects of becoming a supplier to Volvo. This also gave an insight

about the supplier selection process at Volvo. Suppliers qualifying and meeting Volvo standards stood a chance to be a global supplier of Volvo.

Discussions also included Volvo Production System which was guided by "Organizational Development" and on HR.

Earlier, the ACMA delegation visited the facilities of Volvo Buses, where the Volvo team explained the various stages of the bus making. It was noticed that the shop floor was mainly manual and less automated. The plant in Hosakote is basically body building place where all the parts are assembled and designed according to customer needs. This was useful for ACMA members in



understanding the whole process involved in Volvo plant.

Mr. Harish Lakshman, while thanking Mr. Passey and team mentioned that Volvo had re-defined the travel experience for the mass be it the inter-city or intra-city. The good response of members was evident of the fact that more and more auto component manufacturers were interested in being associated with the company and its products, he added.

**Workshop on 7 Management Tools
Chennai: April 27, 2011**

ACMA (Southern region) organised the first edition of the Workshop on M7 Tools on April 27, 2011, Chennai. The workshop was conducted by M/s Professional Quality Management Development Centre P. Ltd. represented by Mr. Nanda, CEO and Mr. Rangarajan - both experts in the field.

Mr. Nanda emphasised on the use of The Seven Management and Planning tools that were conceptualised by a team of Japanese from the Union of Japanese Scientists and Engineers (JUSE) which aids in planning and managing complex projects and also in helping teams to be more innovative and communicate information more effectively. He explained that the keys to success of 7M planning tools is to provide training in thinking, raise people's problem solving confidence and pictorial representation of data. Mr. Rangarajan touched upon the usage of Seven management and Planning tools as a set of team based tools for making better decisions and implementing them with greater success. He also emphasised that when used as individual tools they provide an organized way of thinking and making decisions.

The workshop covered the following topics, Introduction to M7 tools, Kano

Model, Affinity Diagram, Relation Diagram, Matrix Diagram, Prioritisation Matrix, Tree Diagram, Process decision program chart and Arrow Diagram or CPM.

Earlier, Mr. J. Sridhar, Zonal Coordinator – Chennai & Nearby, welcome the participants and the faculty.

We are at a stage where we have to live quality in all aspects of life. In the professional and work environment, customers take it for granted that Quality would be of highest standards and that there would be no room for compromise on the same, he said.

He further added that the 7M tools addresses the Quality aspect and covers the multiple facets related to qualitative data which assists the management for planning and managing quality improvement activities. Good information management and activities planning is the foundation to a successful quality improvement program, he said.

He also added that the programme would help in:

- being able to describe each of the 7M tools and its application.
- understand when, where and how to use the tools in subsequent projects.
- managing qualitative information and organize the activities effectively.



Auto parts sector worried over shrinking margins, profits

S. Bridget Leena
Chennai, May 1
Despite the automotive industry witnessing a growth of 28 per cent in 2010-11, the profitability level has fallen, which is causing concern, said Mr Srivats Ram, President, Automotive Components Manufacturers Association of India.



Mr Srivats Ram

Mr Srivats Ram told *Business Line* that analyses of financials for the first half of 2010-11 saw the return on investment declining for automotive companies. "We will have to wait for companies to announce their financial results for 2010-11, to see how much the return on investment has been affected," he said. It is estimated that the automotive industry grew by \$30 billion in 2010-11, exports reported a \$5-billion growth and imports went up by \$10 billion. Exports have shown a recovery with the US...

15 per cent over the previous year. In 2009-10 the market did not grow due to the impact of the financial crisis. Exports have risen because new entrants are sourcing components from India for their other markets. With India's usage of similar auto components across countries.

ISSUES FACING THE INDUSTRY
The withdrawal of Duty Entitlement Passbook (DEPB) from June 30, 2011 may hurt automotive component manufacturers particularly the small and medium enterprises that cater to the export market. The industry is grappling with the commodity price hike and declining profits. With no Value Added Tax in place, the removal will make the India automotive industry uncompetitive in global market, he said.

Mr Srivats Ram said withdrawal of the DEPB scheme without accompanying tax relief, which ensure that duties are not exported would leave Indian exporters handicapped in the global market. He said the industry is also facing the problem of shortage of raw materials and the rise in the price of such commodities.

US auto part cos bet on expansion

K. SREEDHEVI
MUMBAI
April 12: Paced with a subdued growth in their home country, most US auto component makers are looking towards India for more business. India has witnessed accelerated growth of the Indian auto industry, most American auto ancillary units, who have set up bases in the country, are actually working to hike their capacities. With a dozen countries, Indian subsidiaries of US companies such as Tenneco, Toden, International...

The financial condition of the majority of American auto market suppliers continues to remain weak, owing largely to historically weak demand and heavy dependence on automakers. With a dozen countries, Indian subsidiaries of US companies such as Tenneco, Toden, International... put in place a capacity expansion plan to cater to the growing demand. According to analysts with Zick Investment Services, more than 20 of the largest global auto parts suppliers in the US have filed for bankruptcy since 1999.

Every Indian automaker is asking for additional supply volume of over 15 per cent. In some cases, it is actually going up to 40 per cent, confirms Mr Abhishek Mukherjee, the MD of Teer Automotive India (TAI), a 100 per cent subsidiary of US-based Tenneco Automotive systems. To cater to the demand, TAI is putting up a production facility in Chennai in Phase 2 at a cost of \$4.5 million. The facility will supply exhaust systems for Mahindra, Tata Motors and Volvo.

Auto Parts Cos Strike JV for Tech; Consolidation Looms

FOR KNOW-HOW, PRODUCT RANGE EXPANSION
The industry is likely to clock \$30 b sales in 2010-11. Margin pressure, funding problems linger despite sales growth

said Santosh Singh, Chief Financial Officer, Amtek Auto. "In technology, we feel we probably take the lead. It will be decided over a period of time, maybe in five years, whether it is us buying out the JV partner or they buy out us," Singh said. India's auto sales grew a record 28% in 2010-11 to 1.98 million units. US automakers such as General Motors and Ford Motor are also keen to increase their market share in India. General Motors had entered from India. General Motors had in January said it plans to invest \$1 billion in auto parts from India over the next two years.



"I think we came out of the recession much too fast for anyone's imagination. That's very good for us," said Vinita Melita, Executive Director, ACMA. "But again, you need to manage it and we did not have enough capital in the most growing auto ancillary sector," he said. Almost all auto ancillary units have healthy margins, which have not been the case for many years. For component makers, the margin is not as high as the OEMs. For component makers, the margin is not as high as the OEMs. For component makers, the margin is not as high as the OEMs.

ACMA in the Press

Tech Joint ventures help auto part firms out of recession

Can any also been to increase sourcing from India. GM had in January said it plans to source \$1 billion worth of auto parts from India over the next two years. But the record auto sales in India has also taken the auto ancillary sector, roughly three-fourths of which comprise of small and medium enterprises (SMEs), by surprise and they may not find it as easy to boost capacity and technology. "There is a lot of money in the industry," said Prasad Mohan, Director, Amtek Auto.



Prudha Banu and Vinita Melita, Executive Director, ACMA. "Almost all auto ancillary units have healthy margins, which have not been the case for many years. For component makers, the margin is not as high as the OEMs. For component makers, the margin is not as high as the OEMs."

Auto part firms want OEMs to acquire land to acquire land. Since the OEMs require more land in much higher areas, they usually get land at a lower price. This is a huge benefit for the OEMs. The land is usually acquired by the OEMs. The land is usually acquired by the OEMs. The land is usually acquired by the OEMs.

India scouts for auto parts outside Japan

Prudha Banu
MUMBAI
THE Japanese crisis facing Indian auto companies has led to a search for alternatives to auto parts manufacturing. German companies are seen as a viable option to keep production of auto components in India.



Prudha Banu and Vinita Melita, Executive Director, ACMA. "Almost all auto ancillary units have healthy margins, which have not been the case for many years. For component makers, the margin is not as high as the OEMs. For component makers, the margin is not as high as the OEMs."

Large local auto parts makers are forming joint ventures to boost their technological know-how and expand production. The industry is also looking for alternatives to auto parts manufacturing. German companies are seen as a viable option to keep production of auto components in India.

India auto sales grew a record 30 per cent in 2010-11. The industry is likely to clock \$30 b sales in 2010-11. Margin pressure, funding problems linger despite sales growth.

India auto sales grew a record 30 per cent in 2010-11. The industry is likely to clock \$30 b sales in 2010-11. Margin pressure, funding problems linger despite sales growth.

Auto Parts Cos Take JV Route for Expansion

NEUTERS
MUMBAI / NEW DELHI
Large local auto parts makers are forming joint ventures to boost their technological know-how and expand production. The industry is also looking for alternatives to auto parts manufacturing. German companies are seen as a viable option to keep production of auto components in India.

India auto sales grew a record 30 per cent in 2010-11. The industry is likely to clock \$30 b sales in 2010-11. Margin pressure, funding problems linger despite sales growth.

Auto part firms want OEMs to acquire land to acquire land. Since the OEMs require more land in much higher areas, they usually get land at a lower price. This is a huge benefit for the OEMs. The land is usually acquired by the OEMs. The land is usually acquired by the OEMs.

Auto part firms want OEMs to acquire land to acquire land. Since the OEMs require more land in much higher areas, they usually get land at a lower price. This is a huge benefit for the OEMs. The land is usually acquired by the OEMs. The land is usually acquired by the OEMs.

India auto sales grew a record 30 per cent in 2010-11. The industry is likely to clock \$30 b sales in 2010-11. Margin pressure, funding problems linger despite sales growth.

India auto sales grew a record 30 per cent in 2010-11. The industry is likely to clock \$30 b sales in 2010-11. Margin pressure, funding problems linger despite sales growth.

India auto sales grew a record 30 per cent in 2010-11. The industry is likely to clock \$30 b sales in 2010-11. Margin pressure, funding problems linger despite sales growth.

India auto sales grew a record 30 per cent in 2010-11. The industry is likely to clock \$30 b sales in 2010-11. Margin pressure, funding problems linger despite sales growth.

**Over 70 lacs saved during the 6 Sigma Training Programme
Chennai: April 28, 2011**

The 8th batch of ACMA Six Sigma Black Belt Training Workshop and certification was successfully conducted in Chennai after completing 140 hours of training and having satisfactorily met the certification requirements. As part of the eligibility criteria the 17 participants attended 15 days ACMA Black Belt training spread over 5 months, completing and presenting two six sigma projects thereby saving over Rs.70lacs collectively during the training period for their organizations. This Six Sigma workshop added 13 more black belts to the existing 414 black belts trained and certified by ACMA for over the past 10 years.

Mr. P. Kaniappan, Whole-Time-Director, Wabco TVS India Ltd. commended the initiatives taken by ACMA in introducing various tools for improvement and building competitiveness for the auto component industry. Addressing the participants he mentioned that different

companies adopt different tools and practices with the ultimate aim of satisfying its customer while making profit for the organization. He appreciated the efforts of the faculty for having imparting the knowledge and training with the candidates with clarity as was evident during the presentations made by the trainees at the programme. Wabco also practices 6 Sigma he added.

Earlier, the faculty, Mr. Ram Narayan explained Six Sigma Certification as a program that teaches a person finite steps to follow in precise order that will ultimately lead to process improvement. He also mentioned that it improves the overall process quality in manufacturing and business by analyzing then removing defect causes and minimizing variables. Mr. Ram Narayan emphasised that Black belts should have a thorough understanding of all aspects of the DMAIC (define, measure, analyse, improve, control) model in accordance with six sigma principles.

The programme ended with Mr. Kaniappan, President, Wabco TVS India Limited giving away the certificates to the successful participants.

**3rd Batch Six Sigma Certification – K&H Region
Bangalore: May 25, 2011**

The 3rd batch of Six Sigma Black Belt training workshop and certification was successfully conducted in Bangalore after completing 140 hours of training. Eight participants from member companies were certified after having satisfactorily met the certification requirements.

The Six Sigma programme in ACMA is a 15 days programme spread over a period of 5 months with classroom sessions and project work and presentation of the project on the final day. The 3rd batch had eight successful black belts trained and certified candidates. ACMA has in total trained and certified about 435 candidates in Six Sigma for the past 10 years.

Welcoming the participants, members and the Chief Guest Mr. K M Collins, Senior Manager – Purchase, Volvo Buses India Pvt. Ltd., Mr. K.G. Mohan Kumar, Zonal Coordinator – Karnataka & Hosur, ACMA, mentioned that while many of the Japanese tools on improvements and fool-proofing were being practiced, 6 Sigma tools could actually go hand-in-hand and provide faster results. He complimented ACMA for introducing the programme to members.

Mr Collins - Senior Manager – Purchase, Volvo Buses India Pvt Ltd commended the initiatives taken by ACMA in introducing such tools for the benefit of the industry. Addressing the participants Mr Collins emphasized on the word quality in the Auto sector. He spoke about how quality plays an important role in satisfying the customer. He also spoke about QCD and its importance at length. Mr Collins also encouraged the participants and congratulated them for their efforts. Volvo also has similar initiatives and it is heartening to see the supplier industry also understanding and implementing such tools, he added.

Earlier the faculty Mr Ram Narayan spoke in detail the use and benefits of the Six Sigma Programme in an organization. He explained that the Six Sigma programme is an accelerated process improvement tool. Six sigma is a set of simple steps or tools that lead to process improvement and help in identifying problem areas and defects and minimize them he opined.

The programme ended with Mr Collins giving away the certificates to the successful participants.



**Workshop on Effective Communications Skills
Bangalore: May 27, 2011**

Mastering communication is an essential skill in every aspect of day-to-day life at both professional and personal level. Effective communication is one of the key elements that drive companies to exceptional heights. Knowing the importance of this skill, ACMA Southern Region (Karnataka & Hosur) organized a Workshop on Effective Communication Skills on 27 May 2011 at Bangalore.

The Faculty for this programme Mr K Chandrasekhar from Zero Defects

Consultants with an experience of over 1000 sessions on various topics like awareness, Internal Auditors, Measurement, Communication, Team building, personality development, Leadership skills, time management etc., designed the workshop in a very interactive manner which gave lot of opportunity for the participants to actively speak and improve their communication skills.

As part of the workshop and the interactive session, the faculty focused on team work, report writing and public speaking skills. This was achieved with the help of case studies for the participants.

WESTERN REGION

Training Programme on Value Engineering

Pune: April 9, 2011

Value analysis or engineering is a complete system for identifying and dealing with the factors that cause un-contributing cost or effort in products, processes or services. This system uses all existing technologies, knowledge and skills to efficiently identify costs or efforts that do not contribute to the customer's needs and wants. Its effect is to help the good achieved, even better.

The purpose of the value engineering approach is to provide each individual with a means of skilfully, deliberately and systematically analyzing and controlling the total cost of the product.

The one day training programme was organized to provide an opportunity to the membership to train their personnel on these aspects of customer satisfaction. The course content included:-

- Value Engineering vs. Value Analysis



- Area under control of Value Engineering
- Principles of DARSIRI Method
- Concept of Just Quality and cost reduction
- Value Engineering Work Plan Mr. S.V. Vaishampayan an Electrical Engineer having over 30 years of experience in the field of Production, plant Engineering, Industrial engineering, Personnel was the faculty .

1st Meeting of ACMA (WR) HR Forum Meeting

Pune: April 15, 2011

In its efforts to contribute significantly towards the initiative taken by the ACMA HR Committee, the Western Region HR Forum met on 15th April for further taking the movement forward.

Right recruitment, Retention and skill development are the biggest challenges for the HR professionals, said Dr. S.V. Bhawe, Vice President—HR, Bharat Forge Ltd. in his welcome address.

In her address, Flt. Lt. Ms. Sheena Minhas , Chairperson, ACMA (WR) HR Forum & Director- HR, Honeywell Turbo (India) Pvt. Ltd. said that the objective of the meeting is to see how can we leverage the learning from each other. We should continue to the knowledge sharing through this forum, she added.

Flt. Lt. Ms. Sheena Minhas, Chairperson, ACMA (WR) HR Forum & Director- HR, Honeywell Turbo (India) Pvt. Ltd. , Mr. Ramesh Menon and Ms Smitha Menon , HR Manager , Eaton Industrial Systems Pvt. Ltd. shared HR practices being followed in their organizations.

The key challenges and action points that emerged after deliberations are as follows :



S. NO.	CHALLENGES	ACTION PLAN
1	Availability of competent manpower	1. Low cost automation 2. Head Hunting 3. Tie-ups with Educational Institute
2	Location	Creating Welfare facilities
3	Disguise Competencies	Defining Competencies
4	Unstructured Induction & Orientation	Structured Induction & Proper engagement
5	Lack of Training & Awareness programs	1. Proper TNA by concern departments 2. Training calendar, Identifying correct faculty, Budget approval. 3. Training effectiveness
6	Awards :Rewards & Recognitions	Appraisal, Feedback & Feed Forward.
7	Lack of Manpower Planning	Integrate Manpower Plan with Business Plan.
8	Talent Scarcity & Competition	Employee Referral Scheme - Attractive.
9	Compensation & Benefits	1. Review & Revision inline with the Market. 2. Incentive
10	Work Environment	1. Good Working Environment 2. Mentoring-Buddy & Neo 3. Ethical & Open Culture. 4. Couple Engagement Strategy
11	Mirror Image	Simplification in process

12	Hiring plan & Recruitment	Talent Hock - Career path Future Talent Pipeline
13	Company Brand Threat	Company Branding
14	Geographic Locations	Social Networking/U Turn

ACMA (WR) Members interaction with delegation from Australia
Pune: April 18, 2011

A delegation of 10 Victorian automotive tier-1 supplier companies visited Pune on 18th April 2011. This automotive delegation was a part of the larger Victorian State Government mission that visited India led by the

Hon. Louise Asher MP, Minister for Innovation, Services and Small Business.

Australian Trade Commissioner for Western India with the support of ACMA organized networking reception where ACMA Members were invited. The objective was to meet and interact with the delegation for possible cooperation and strengthening linkages by way of technology transfer, partnership, JV etc.

ACMA (WR) Members interaction with delegation from Italy
Pune: April 20, 2011

A high-level automotive business & technical delegation from Italy visited Pune on 20th April 2011. The Italian Trade Commission (I.C.E.) in collaboration with Confindustria (Confederation of Italian Industries), Maharatha Chamber of Commerce and industry, ANFIA (The Italian Association of the Automotive Industry), Unione Industriali di Torino (The Turin Industrial Association), SIAM & ACMA organised one-to-one meetings between Indian companies and the visiting Italian companies in

the automotive sector.

The Italian delegation consisted 30+ Italian companies from the fields of automobile manufacturing, automotive component manufacturing and industrial, financial and automobile design institutions.

ACMA Members were also invited to join Cocktails & Networking Reception.

The objective was to meet and interact with the delegation for networking and building linkages by way of technology transfer, partnership, JV etc. with Italian companies.

Training Programme on Failure Mode Effect Analysis
Nashik: May 4, 2011

Failure Mode Effect Analysis (FMEA) is a procedure in product development and operations management for analysis of potential failure modes within a system for classification by the severity and likelihood of the failures. FMEA provides an easy tool to determine which risk has the greatest concern, and therefore an action is needed to prevent a problem before it arises.

One day training programme was held for the membership to train their personnel on various aspects of FMEA. The following key topics were part of the training :

Types & FMEA applicability



Link between DFMEA, PFMEA and Control plans

Flow chart, block or boundary diagrams Methodology & Risk assessment using recommended formats

Risk Priority Number and its significance

Other ways to decide RPN

Various possible failure modes and effects examples Various causes and controls examples

Actual practice in group for developing DFMEA/ PFMEA

Mr. S.V. Vaishampayan an Electrical Engineer having over 30 years of experience in the field of Production, plant Engineering, Industrial engineering, Personnel was the faculty.

The feedback from participants was good.

Workshop on Information and communication Technologies & Visit to Mercedes-Benz Pune: May 10, 2011

“Shop Floor to Floor” Workshop on Information and communication technology, a special program designed by the IT Committee of ACMA on Business Solutions for ACMA Members was organized in association with NASSCOM.

The workshop saw presentations from “ Google” leading IT solution provider on topics of web computing. Mr. S. Srinivasan, CIO, Sundaram Fasteners Ltd. shared his experience on IT solutions that could help improve productivity, quality, cost and delivery. Mr. Srinivasan made a presentation on “Enabling operations Excellence for component

manufacturing”. Sharing his experience on IT solution, Mr Jaydeep Panse of Autocomp Corporation Panse Pvt Ltd made a presentation on “Mapping business processes in the area of materials management and transform them into implementable production systems using IT solutions”.

Welcoming the participants , Mr. Samir Salian, Director, Dali & Samir Engineering Pvt Ltd said that ACMA IT committee has been working very aggressively for the betterment of the ACMA membership in the area of Information Technologies. This is an opportunity for the membership to derive the maximum advantage out of it, he added.

In his welcome remark, Mr. Sri Karumbati, Deputy Chairman, ACMA-IT

Committee said that the objective of this programme is to create awareness and educate membership on solution technology and addressing ACMA needs. There is separate ACMA IT website giving information of action plan and its implementation exclusive for ACMA members, he added.

Briefing the participants on various initiatives taken by ACMA and NASSCOM jointly, Ms. Rama Vedashree, Vice President, NASSCOM said that the objective of organizing joint event like this is to make ACMA members aware how they can leverage IT solution available for competitive advantage. She also mentioned about the issues being discussed with government on policy formation in regard with IT. Coinciding with the workshop a visit to "Mercedes-Benz" (Chakan Plant) was also organised to facilitate cross learning on how IT is being used by world class companies to integrate various processes and manage supply chain.

The participants had opportunity to interact with MR. Rajeev Jorapur, Head – IT, Mercedes-Benz. Mr. Jorapur made a brief presentation about the company and how IT is being used in operations. A strong IT governance standardizes and integrates the process between supplier and customer, Mr. Rajeev Jorapur, mentioned during the interaction.



NATIONAL COMMITTEES

HR Committee

Conference on "Effective HR Practices"
New Delhi : May 4, 2011

ACMA - Human Resource (HR) Committee and Northern Region jointly organized a Conference on Effective HR Practices on Wednesday, May 4, 2011 in New Delhi.

Mr. F R Singhvi, Chairman - HR Committee, ACMA, welcome the participants and the speakers : Mr. K S Bhullar, President-HR, Anand Group; Mr. Suresh Tripathi, President-HR, SRF Limited; Mr. Sidhant Thakur, Program Leader, School of Inspired Leadership and Mr. Ravi Kapoor, Senior Manager, Human Capital Advisory Services, Deloitte Touche Tohmatsu India Private Limited.

During welcome address, Mr. Singhvi said, it is must to develop effective HR practices in an organization to remain competitive and sustain growth

which is a big challenge.

Mr. Singhvi updated delegates about the global scenario and various surveys and study reports. The Vision 2020, a joint study commissioned by ACMA with its knowledge partner Ernst & Young (E&Y), indicates that the Indian auto component industry has the potential to grow from its current level of ₹ 1.2 lakh crores (US \$ 26 billion) to almost ₹ 5.4 lakh crores (US \$ 113 billion) by 2020. Like any such study report, Vision 2020 also says that among the challenges, that need to be addressed immediately to capture this potential, availability of skilled manpower is going to be a major challenge. With this backdrop, the industry need to develop HR practices that attract talent, enhance recruitment, retention of management positions and skilled labour, leadership development within the organization and building a performance based culture.

He also mentioned about the HR Committee's initiative towards creating Regional HR Forums to have regular interactions among HR



Professionals, strengthening HR activities and also address issues at regional level. All the delegates were requested to be part of the Northern Region Forum.

Mr. Bhullar presented a Case Study on Operating Engineers Model, an Innovation that changed conventional Shop-Floor HR Practices.

Mr. Tripathi gave presentation on Leadership Development. His presentation was simple, easy to understand and focused. Specially, his approach towards Business Engine & People Engine made delegates understood the difference between managing business and people.

Mr. Thakur shared his thoughts on "Talent Retention in a Competitive World".

Mr. Kapoor organized a small workshop on "Unleashing the Talent within through Competencies". Delegates participated very actively in exercise given to them. The exercise was based on the case study which clarified lot of queries of the participants through interaction.

Members may access the presentations on the ACMA Website. There were total 33 delegates who participated at the conference and excellent feedback were given.



Globalisation & India Brand Building Committee

Meeting with Victorian Delegation, Australia & Renewal of ties with FAPM (MoU partner) New Delhi: April 15, 2011

A 65-members trade delegation visited India during April 10-19, 2011, including 9-automotive companies from the State of Victoria. This automotive delegation was a part of the larger Victorian State Government delegation visiting India with five industry sectors (Aviation, Automotive, ICT, F&B and Clean Tech). The automotive delegation was led by Mr Barry Comben, Past President FAPM and member of Automotive Innovation Council. The delegation visited Bangalore on 10th -11th April, Chennai on 12th -13th April, Mumbai on 13th -14th April, New Delhi on 14th -17th April and Pune on 18th & 19th April 2011. These Victorian automotive companies were the Tier-1 automotive component suppliers and were seeking for business match meetings with Indian partners (JV's/ technical collaborations/ Distributors, etc.) and directly end customers.

Mr Arvind Kapur, Vice President, ACMA, made a presentation on Auto Component Industry in India: Growing Capabilities & Strengths, followed by a presentation by Mr Vishnu Mathur, DG, SIAM on India's Automobile Industry. Mr Kapur mentioned about the Indian aftermarket having diverse customer base with rapid growth in vehicle demands and poor road conditions

which have automatically created demand for a fully equipped after-sales and replacement market. Mr Tom Calder, Trade Commissioner, Australian Trade Commission, gave a presentation on Australian economy and Austrade market strategy.

Building linkages globally for strengthening mutual business co-



operation has been ACMA's initiative over the years. FAPM and ACMA have been fostering close co-operation since 1992 when both the associations signed Memorandum of Understanding. The same was renewed at a ceremony on April 15, 2011, in New Delhi.

On April 14, 2011, Mr Richard Reilly, CEO, FAPM, interacted with Mr Vinnie Mehta, Executive Director and Mr Amit Mukherjee, ACMA, to have

better understanding of the Indian Automotive Industry. To strengthen the linkages between the Indian and the Australian Automotive industry ACMA invited FAPM to bring a delegation to the 11th Auto Expo 2012, scheduled from 7-11th January 2012, in New Delhi. FAPM invited ACMA to join for Australia Motor Show scheduled from July 1-10, 2011 and Sustainability in a Global Market Conference scheduled on July 8, 2011.

**Business Meetings with Italian Automotive Delegation to India
New Delhi & Pune: April 18-21, 2011**

Italian Trade Commission (I.C.E.) in collaboration with Confindustria (Confederation of Italian Industries), ANFIA (The Italian Association of the Automotive Industry) & Unione Industriali di Torino (The Turin Industrial Association) brought a 60 member delegation consists of 30 Italian companies from the fields of automobile manufacturing, automotive component manufacturing and industrial, financial and automobile design institutions to India from April 18-21, 2011. The broad objective of the delegation was to see and assess the potential of Indian companies with a

view to building relationships with the Indian automotive industry.

A seminar was organized by Italian Trade Commission wherein ACMA was invited to make a presentation. Mr. Vinnie Mehta, Executive Director, ACMA made a presentation on Indian Auto Component Industry – Opportunities Unbound.

ACMA supported the delegation, by organising business meetings for its members in Delhi & Pune on 18th & 20th April 2011. Around 40 companies from the membership participated in this event. There were senior management teams from both the sides. A list of participating companies with product profile was marketed in advance and also pre-arranged meetings were organised.



**ACMA's Participation at the European Auto Components
Exposition
Stuttgart, Germany: May 17-20, 2011**

ACMA for the first time participated in the European Automotive Components Expo (EACE) held at Messe Stuttgart, Germany from 17-19th May, 2011 .

EACE, a three day event in its seventh successive year was a focused specialized exposition on automotive testing , engines , vehicle dynamics automotive components and automotive interiors- each running in concurrence.

The 90 sq mtr ACMA joint stand located in the European Automotive Components Exposition had participation from 8 member companies that included Anand Motors, Banco Products, Gilard Electronics, Indo Autotech, Roop Group, Rasandik, Global Automotive and Shivam Autotech.



Located in the state of art, brand new Messe Stuttgart, the European Automotive Components Exposition currently in its nascence was an event for anyone involved in design, engineering, purchasing, procurement or sourcing of innovative automotive materials.

The show also had participation of some of the prominent companies of international repute .

Running parallel to each of these expositions were a series of technology fora for all three days. Speakers at each of these forums were primarily from US, UK, Brazil, Germany, and India .

Also on display at EACE were some of new technologies suitable for Euro 6 and Euro 7 emissions standards .

Country representation at the auto component section of the



European Auto Component Exposition included China, India, Korea, Morocco, Israel and Italy.

EACE was purely a business visitors show with visitors from Europe, China, Russia, South Korea, Israel, Turkey, UK and USA to name a few . Fair sources claim visit by over ten thousand business visitors from around 60 countries across the world during the three day event.

ACMA stand was visited by Dr Binoy George , Consul, CGI, Munich who spent considerable time meeting the participants in understanding their

company products . ACMA also had some association related queries including scope of co-operation from its European counterparts, company level assistance in their project to localize their technology and expertise in India. Members at the ACMA stand had business visitors from Europe, South East Asia and also the US. EACE also enabled them make new business contacts with the European customers. However a few felt, the exposition was more appropriate for automotive testing equipments and new technologies .

Raw Material Committee

Interaction with Sundaram Clayton Ltd. Chennai: April 8, 2011

To understand the inventory management practices of aluminium die casts, members visited Sundaram Clayton Ltd, Chennai on 8th April, 2011.

In his opening remarks, Chairman, Raw Material Committee, ACMA, Mr Ramchandra Rao, said that managing material inventory was significant and a complex exercise at the same time . Sundaram Clayton, a world class company with world class practices was a benchmark for members from start to finish. He thanked Mr C N Prasad, Group President SCL and his team for giving members an opportunity for interactions .

In the presentations that followed, the host company gave an overview of the TVS journey and its material related practices. Sundaram Clayton Ltd, a part of the \$4 billion TVS Group, is a one stop shop for high pressure aluminium die casting and machining . With an annual investment of Rs 700 crores, the monthly aluminium requirement of SCL is around 3000 MT that withstands various procurement constraints of local suppliers, through its strategic supply base comprising both the domestic and international sources. Suppliers in SCL are evaluated regularly and bulk of



material procurement is through imports on long term contracts . Material purchase is on weekly basis with timely payment to suppliers. To maintain purchase through competitive prices, request for quotations are maintained globally. Sundaram Clayton has a purchasing committee with representatives from marketing, finance, business planning who meet regularly for a joint decision. Even though aluminium prices are highly fluctuating with a 24 hour validity only , the raw material for Sundaram Clayton is only procured for production and quantum of purchase does not increase with a decline in prices of aluminium. Members present for the interactions also shared number of queries to understand lead time, their company specific purchase related issues, material planning and conversion related issues .

Presentations from team Sundaram Clayton were made by Mr S Mohanakrishnan, Vice President (Mfg), Mr V Hariharan, HOD- BPN & Mr S Hemant Kumar, Snr Manager- TQM

Earlier, welcoming ACMA members Mr C N Prasad, Group President, Sundaram Clayton Ltd, said that the programme was designed to suit members requirements on inventory planning particularly with regard to raw materials. With the raw material cost constituting 60% of the total production cost, material inventory was a big challenge. Mr Prasad hoped that the programme could offer some useful take-away for the visiting delegation .



Small & Medium Enterprises Committee

Sharing of Experience: Visit to Mindarika, Rico Auto & Sona Koyo for Manufacturing Excellence

Gurgaon: May 11, 2011

ACMA-SME Committee organised a Sharing of Experience: Visit to Mindarika, Rico Auto & Sona Koyo for Manufacturing Excellence on 11th May, 2011 in Gurgaon. This plant visit, yet another initiative of SME Committee, was specially organised, keeping in mind the requirements of SME members of ACMA to enhance their capabilities and to plan their strategies.

Mr. Sunil Arora, Chairman - SME Committee & Joint Managing Director, Abilities India Pistons & Rings Ltd. was the Mission Leader & led the delegation. The first visit was to Sona Koyo Steering Systems Ltd. Gurgaon. At Sona Koyo, Mr P P Gajpal, Business Unit Head and the team of Sona Koyo gave a warm welcome to the ACMA delegation. Mr. Sunil Arora expressed his gratitude to Dr. Surinder Kapur, Past President, ACMA and Chairman, Sona Group for his support.

Mr Gajpal & his team gave a presentation on the history, evolution and achievements of Sona Koyo. Started in 1987, Sona, today has 16 plants in India, one office in Japan. The Vision 2020 of Sona Koyo is "To create Sona a company that India is proud of" and the Mission is "To make Sona a Partner of Choice to Global Customers". They also made a presentation on the theme of the visit – Manufacturing excellence – the Sona way! Sona follows a "9 Pillar approach of TPM" – where "Tool life Monitoring & Tool Management" is inbuilt as the 9th pillar in TPM". Sona has achieved a single digit PPM of 7 during the last year. The plant visit followed by the presentation was an informative visit to the delegates as they could learn on Gas leak detector alarm system ; Tool Store Maintenance – a new initiative of storing of tools and finding them out that is followed at Sona. The visit was a great learning experience for all the participants.

The delegation then moved to Rico Auto Industries Ltd. Mr. Vivek Hazari

gave a warm welcome to the delegation. Mr Sanjay Sharma made a presentation on the history & evolution of Rico Auto which has a 25 years of "operational excellence". During the presentation, he stated that the Vision of Rico is "To be a preferred supplier to OEMs across the globe". He then touched upon the topic of the day – "Manufacturing Excellence through people connect" which has been achieved through different programmes, viz., Nav Chetna, Navodaya, etc. While Nav Chetna is the programme made for involving the top & middle management personnel, Navodaya is for the shop floor personnel which focuses on improvement in working environment. This was followed by a visit to Rico plant! Mr Arvind Kapur, Vice President, ACMA & Managing Director, Rico Auto Industries Ltd. joined for an Interaction with the participants and shared his views and experiences. During the interaction, Mr. Arvind Kapur stated that there is no difference in the facilities such as food, training, etc. provided to the workforce. He then shared how his company won the support of the work force for their initiatives and brought Total Employee Involvement and their enthusiasm in the schemes of the management. "His ideologies and views charged up the members of the delegation who felt this as an important take away of their visit.

This was followed by a Visit to Mindarika Pvt. Ltd. Mr. S L Gupta gave a very warm welcome to the participants. Mr. Gupta and his team members gave a presentation on the history & evolution of Mindarika and its flagship company – the Minda group. They shared their presentation on topics such as "TPS for capacity improvement, Daily Work Management and Energy saving". The interaction that the delegation had with Mindarika team members & the presentation on Energy Conservation, gave an incredible insight to Mindarika's working and its initiatives. The members were highly impressed with the Energy conservation activities & Kaizen initiatives of Mindarika and also the level of detailed analysis that were undertaken by Mindarika.

The presentation made by the companies and the plant visits were very informative and the discussions were interactive. It was a great learning opportunity for the members who participated at this plant visit.



Supply Chain Committee



**OUTCOME OF BUYER SELLER MEET / EXHIBITION
IN EPICENTRE, GURGAON
15-16TH April 2011**



Objectives of the Meet

- For sourcing teams of the OEMs & Tier-1 companies present in India to interact directly with Tier 2/3 companies.
- For Tier-2/3 companies to showcase their capabilities and display components for which they need buyers
- For Tier-2/3 companies to showcase their capabilities and display components for which they need buyers

Participation

64 Companies participated at the event.
18 Tier I Companies and 46 Tier II Companies

OEMs who visited.

Caterpillar, Greaves Cotton Ltd, Harley-Davidson India, Honda Motorcycle & Scooter India Pvt. Ltd., India Yamaha Motor, John Deere India Private Limited, Maruti Suzuki Ltd, Mahindra & Mahindra Ltd, New Holland FIAT India, Piaggio Vehicles Pvt. Ltd., TAFE

Seminar

"Purchasing Policies and Supply Chain Management"

Presentation on Purchasing Policies & Sourcing Strategies by
Maruti Suzuki India Ltd,
Caterpillar
Subros Ltd

Presentation on SCM - Opportunities for Tier-2/3 Suppliers
Minda Industries Ltd

Presentation on Special Economic Zones- Growth Drivers for SMEs by
Mahindra World City, Jaipur













MEMBERS' ROOM

NEW MEMBERS IN ACMA FOLD

Jtekt Sona Automotive India Ltd.

Plot No. 26, Sector-5, Phase-II,
Growth Center Bawal
Distt. Rewari - 123501

Products Manufactured : Electric power steering systems and MS

Pavna Auto Engineering Pvt. Ltd.

"Vimlanachal" Hari Nagar,
Gopalpuri, Aligarh - 202001

Products Manufactured : Fuel cock assembly and allied products, hook seat catch, bag hook, die cast components and fuel filters
Quality Certification : ISO/TS 16949:2002 by DNV SSI

Senior India Pvt. Ltd.

89, Sector-8 IMT Manesar
Gurgaon - 122050

Products Manufactured : Automotive exhaust systems, EGR coolers & tubes, high pressure pipes and common rails, stainless steel hose, assemblies, bellows, aerospace bellows and assemblies
Quality Certification : ISO 9001:2008 by TUV
TS 16949:2009 by TUV
ISO 14001:2004 by TUV

Alpha Drives

No. 1, V.K.K.Menon Road, Venkatapuram,
Coimbatore- 641025

Products Manufactured : Gear, gear boxes and power take offs
Quality Certification : ISO 9001:2008 by TUV SSI

Dana India Pvt. Ltd.

503, Pride Silicon Plaza
5th Floor, Senapati Bapat Road,
Pune - 411016

Products Manufactured : Drive axles and non drive axles
Quality Certification : ISO 9001:2008 by USDQS Inc

Mubea Automotive India Pvt. Ltd.

C-43, MIDC Chakan, Chakan Talegaon Road,
Chakan, Pune - 410501

Products Manufactured : Engine valve springs, and spring band clamps

Affiliate Membership

All India Rubber Industries Association

601, "B" Wing, Pramukh Plaza, 6th Floor,
485 Cardinal Gracious Road
Chakala, Andheri (East), Mumbai - 400099

Legal Status : Section 25 Company
Services : The All India Rubber Industries

Association (AIRIA) is a not for profit making body serving the rubber industry and trade with the objectives of safeguarding and promoting interests of the industry.

Associate Membership

Denso International India Pvt. Ltd.

Chimes, 61, Sector-44,
Gurgaon - 122003, Haryana

Product / Services : Technical & Engineering and Marketing

CHANGE IN DETAILS

Change in Contact Details

Nishan Automobiles

67B/68B, Aggarwal Trade Centre
Sector-11, CBD Belapur Navi Mumbai,
Mumbai 400614

Asia Motor Works Ltd.

7 floor, Tower 1, Equinox Business Park
Peninsula Techno Park, Off BKC,
LBS Marg Kurla, Mumbai 400070

Kavia Engineering Private Ltd.

86-I, Phase-1, Jigani Industrial Area,
Anekal Taluk, Bangalore 560105

Munjal Auto Industries Ltd.

301, 3rd Floor, Galleria Tower,
DLF Phase-IV, Gurgaon 122002

M.V.D. Auto Components Pvt. Ltd.

C-45, Okhla Industrial Area, Phase-1,
New Delhi 110020

CHANGE IN COMPANY NAME

The name of **Multitech Auto Ltd.** has been changed to **Multitech Auto Pvt. Ltd.**

The name of **Valeo Engineering Center (India) Pvt. Ltd.** has been changed to **Valeo India Pvt. Ltd.**

CHANGE IN NAME OF ADDRESSEE

Mr. Umahashi Kazumi, Managing Director, **Mitsuba Sical India Ltd.**

Mr. Parul Kumar, Vice President & COO, **Spicer India Ltd.**

Mr. Vivek Gupta, CEO & Director, **Kavia Engineering Private Ltd.**

Mr. B.D. Singh, Managing Director, **Dana India Pvt. Ltd.**

CHANGE IN DESIGNATION OF ADDRESSEE

Mr. S. Ganesh, Chairman & Managing Director, **Liners India Ltd.**

Mr. P.R. Dhaamodharan, Group President – India, **Valeo India Pvt. Ltd.**



MEMBERS' FEAT



N K MINDA GROUP OPENS DESIGN CENTRE IN TAIWAN State-of-the-art Facility to Design and Develop Automotive Lighting Products

N K Minda Group, the USD 403 mln technology leader in the Indian Auto Components Industry, announced today that it has opened a state-of-the-art Design Centre in Taiwan, after procuring all necessary licences from the Taiwan Government. The opening of the Design Centre in the city of Taiwan is strategic to Minda's self reliance initiatives, for which it has invested approximately USD 783 K. With the opening of this Design Centre, N K Minda Group has extended its Engineering wing for designing and developing automotive lighting products. The Design Centre will give a necessary fillip to the group's expertise in optical and mechanical designing of automotive lamps, in addition to capitalising on the strategic advantage of Taiwan as an established and high quality, yet cost effective, destination for tooling.

Commenting on the occasion Mr. Nirmal Kumar Minda, CMD of N K Minda Group, said, "Setting up a Design Centre in Taiwan is a major initiative for us and has been taken to interface with Taiwan supplier community and program managers. It will give us an easy access to product designing capabilities, tool making and machine development."