

SIAM

Society of Indian Automobile Manufacturers

ANNUAL REPORT 2016-17

Building the Nation, Responsibly



SIAM

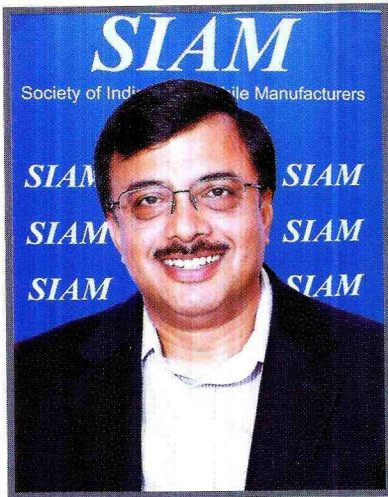
Society of Indian Automobile Manufacturers

ANNUAL REPORT 2016-17

CONTENTS

President's Message	4
About SIAM	11
Performance of the Automobile Industry in 2016-17	12
Global Auto Industry Performance in 2016	15
Building the Nation, Responsibly	17
SIAM Annual Activities & Milestones	18
SIAM 56 th Annual Convention 2016	20
Economic & Commercial Affairs	23
Technical Affairs	44
Public Policy	68
Councils & Groups: 2016-17	72
SIAM Office Bearers	78
AIAM/SIAM Past Presidents	79
SIAM Members	80
SIAM Secretariat	82
Linkage with other Institutions in India	83
Overseas Linkage	84

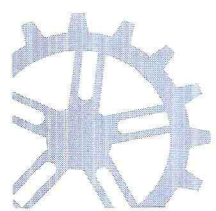
PRESIDENT'S MESSAGE



A “trial by fire” is the only way to describe the last one year for the automotive industry.

Having gradually emerged from a prolonged slowdown and looking towards a full recovery, the automotive industry was dealt with a series of jolts in the last year which marked perhaps one of the toughest years for the industry in recent times. A surprise move by the Hon’ble Prime Minister to demonitise high value currency, overnight, sent shock waves through the Nation. There was an immediate impact on vehicle sales as buying vehicles dropped lower down on the consumer’s immediate priorities. The rural markets were the most impacted where there was a higher prevalence of cash transactions. The industry responded by offering a slew of cashless transaction options to the consumers specially in the urban markets which saw a quick recovery. While passenger vehicles recovered quite fast, two/three wheelers and commercial vehicles which have a higher exposure to rural markets took longer to shrug off the full impact of demonitisation. However, the momentum that had developed in the recovery process was significantly lost.

The year 2016-17 was also a year of an “all-India” level emission norm change to BS IV for the industry. Such years are always accompanied by their own set of challenges as vehicle technology goes in for a full-scale upgradation and the expected price rise of the new norm compliant vehicles impacts on the basic dynamics of market demand, which needs careful management. As the industry worked to recover the lost momentum, this time around, the situation developed in a very different way. The date of switchover to manufacturing BS IV vehicles was changed to date of registration by Supreme Court’s intervention. Passenger Cars had already fully moved over to BS IV norms over the last 5 years since BS IV was first introduced in the country. However, Commercial Vehicles had remained mostly at BS III level as these were used for long distance travel and BS IV fuel was not yet available on a pan-India basis. For Two/Three Wheelers, this was the second year of change when all existing models manufactured would have to be



BS IV compliant. The sudden change in the interpretation of the BS IV implementation dates sent shock waves to the Commercial Vehicles and Two/Three-Wheeler industry, which were saddled with large stocks of BS III vehicles manufactured before the implementation date of April 1, 2017. Distress sales of BS III vehicles during the last two days of the FY resulted in steep discounting and severely impacted the bottom-lines of companies. This was one of the biggest challenges faced by industry in the last two decades which compounded the industry's "trial by fire".

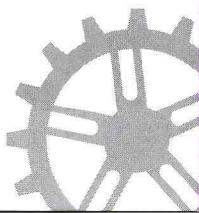
Not with standing these challenges, in April-March 17, the industry managed to close the year with an overall growth of 6.81% in terms of domestic sales and 5.4% in production. Cars, Utility Vehicles and Vans market led the growth with a 9.2 percent increase over the same period last year, Two Wheelers by 6.89%. Three Wheelers, however, saw a decline of 4.93%. In the Passenger Vehicles category, the demand for Utility Vehicles outstripped the growth of Passenger Cars indicating that Utility Vehicles were making significant inroads into the Passenger Cars segment. In the Two-Wheelers category, the market for Scooters grew by 11.39% while Motorcycles grew by 3.68% albeit on a much higher base.

The Commercial Vehicles sector saw a mixed fortune. While the Heavy and Medium segment saw an almost flat performance, the Light Commercial Vehicles segment which had been witnessing subdued demand also saw a smart recovery to a 7.41% growth taking the overall Commercial Vehicles growth to 4.16%.

On the exports front, the industry further consolidated its position in the global markets. Exports of Passenger Vehicles increased by 16.20% to 758,830 units, Commercial Vehicles by 4.99%, however, Two/Three Wheelers decreased by (-) 5.78%/ (-) 32.77%. The notable aspect is that while some of the traditional export markets remained sluggish, this growth was led by entry into new markets and also due to more companies, especially the MNCs automakers placing a much higher priority on exports of vehicles from their Indian operations.

With the forecast of another good monsoon, supported by an increased activity in infrastructure development, specially road building, the auto industry now expects to reinforce its position during 2017-18.

One of the most important developments that took place during the year was the ushering of the long-awaited GST regime. SIAM welcomed the GST rates announced for the automotive industry, despite being at the highest level. The industry appreciated the Government's compulsion of generating revenue for development work and accepted the high rate. Industry is still upbeat because the system that is inherently efficient is expected to bring in significant improvement in competitiveness of the industry by removing embedded taxes. Also, SIAM remained engaged with the Government and the Government lived up to its promise and kept most of the GST rates on automobiles at par with the overall taxation during the erstwhile Excise regime either directly or through an additional Cess. The beneficiaries were the larger Passenger Cars and SUVs on which the overall tax burden reduced by almost 9% to 11% since the Cess was pegged at the rate equivalent to that of mid-size cars. SIAM sees the GST as a game changer which would stimulate a sustained demand for vehicles in the long run as well as make the entire tax management simpler and



efficient for the industry. However, more recently, we are seeing a debate in the GST Council about further increasing the Cess cap on luxury cars and SUVs to 25%. If the actual applied Cess on luxury cars and SUVs is pegged at 25% also, it will practically wipe out all the benefits of the GST regime versus the earlier Excise Duty structure.

In the area of promoting green mobility, the industry saw uncertain times. The two-year FAME Scheme which was launched in April 2015 under the National Mission on Electric and Hybrid Mobility (NMEM) came in for a review before its extension in April 2017. The focus now seems to have shifted to pure Electric Vehicle (EV) technologies with ambitious targets of achieving near total conversion to pure EV vehicles by 2030. While an ambitious target for EVs is a welcome step, it may be more prudent to continue supporting other green technologies that clearly pave the way to a pure EVs in the future and not to put all our eggs in one technology basket. Today, there is uncertainty and concern on how the Scheme would shape up in the coming days.

The safety norms for vehicles were further tightened during the year. Discussions on fitment of a speed limiting device were held and consequent to the Karnataka High Court Order, such devices were made mandatory overnight, leading to a virtual stoppage of the sales and registration of Passenger Cars used as taxis. Industry is also hoping that Government would look into its request to formulate the Fuel Efficiency Norms for Heavy Duty Vehicles on the basis of Corporate Average Fuel Efficiency (CAFE) and not for individual vehicles models.

Some of the new safety regulations that would become applicable from 2017 are Offset Crash for new models, vehicle alarm system, AHO for 2W, Speed limiting Device, etc. taking the industry to a new level of vehicular safety and further closing the gap with international standards.

The mandatory implementation of Bus Body Code was once again delayed by Government due to the objections of the independent bus body builders in the SME sector. Today, while all the OEMs build bus bodies complying to the norms, more than 90% of the bodies which are built in the unorganized sector are not required to follow the Code, leading to unsafe construction.

Indian Automobile Industry is committed towards making safer vehicles and meeting environmental regulations. As a responsible corporate with a mission of Building the Nation, Responsibly, we have taken initiatives through SAFE with an aim to provide road safety and environment protection information to road users, encourage safer road behavior among them and reduce the number of fatalities and injuries and to improve air quality.

SAFE along with its members' support tries to cover all these and organized various programs e.g. reach out to school and college students, drivers awareness / training and health checkup camps, general awareness by organizing workshops / seminars and interactions with Central and State Transport and Police Departments. Also, SAFE carried out various activities during World Environment Day through members and their dealers by conducting free PUC drive across the nation.

In the year 2016 – 2017, SAFE and its members organized various initiatives in the area of road safety and environment protection. SAFE along with MoRT&H organized interaction of SIAM members with Shri Nitin Gadkari, Hon'ble Minister for Road Transport & Highways, on issues related to road safety. Through this interaction several initiatives have been taken for the reduction of road fatalities in our country. SAFE organized interaction of SIAM members with Transport and Police departments of various states to enhance the awareness on vehicular and road safety in their respective states.

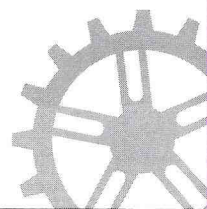
SIAM – SAFE also released a compendium on India's Vision for Road Safety at SAFE's Annual Convention in April 2017 at Bhubaneswar, Odisha. The compendium covers initiatives taken by SIAM members across the nation in spreading the awareness on road safety.

The year saw some activity in the area of scrapping of old vehicles through an incentive scheme. The Ministry of Road Transport & Highways commissioned a study based on which there was in-principle approval by the Cabinet to a Voluntary Vehicle Modernisation Policy.

SIAM is an active member of the Government delegations participating in different Working Groups of UN WP-29 in Geneva by providing technical inputs and generation of data. Some of the important subjects under discussions are on World Light Duty Test Cycle (WLTP), Emission measurement procedures for 2W (EPPR), etc.

SIAM has remained engaged globally to continue to develop relations with counterpart associations and convey Indian automotive industry viewpoints to international bodies. As a permanent member of the Council of the world automotive body – OICA, SIAM participated in most of the important meetings during the year including General Assembly in Moscow and council meeting in Geneva. SIAM along with members actively participate in the Technical Committee of OICA and shared the Indian perspective. SIAM hosted 172nd. OICA Technical Committee in October 2016 in Delhi enabling wider participation for Indian Industry. International Motorcycle Manufacturers Association – IMMA meetings were also held at various places including the General Assembly at Berlin, which was actively participated by SIAM members. SIAM delegations also participated in APEC Automotive Dialogue and Indo German Joint Working Group. Last year, SIAM established close working relation with JAMA and VDA on Policy areas to learn from each other.

I must say that despite all the daunting challenges, the industry has successfully passed the trial by fire with a sense of determination. The coming years will be even more challenging with major disruptions on the near horizon including a big planned shift to electric vehicles by 2030, a concerted thrust on shared mobility and connected cars, all of which have the power to alter the basic tenets of traditional mobility. I am certain that the industry not only in the country, but the world over would be nimble enough to adjust to these new mobility paradigms. The industry has been a major driver of economic growth and employment in the past and has to continue playing that role in whatever new shape it takes to further strengthen its contribution to the national economy.



As I come to the end of my term as President, I would like to thank all those who have supported the cause of the industry and enabled its growth. A special thanks to our partner organisations, Government and its various Ministries for their continuous support.

The expectations of the civil society from the automotive industry is very high and is increasing day by day. In deference of these expectations, industry has a clearly cut out task for the future. The societal role of industry has now become a primary one overtaking the long established traditional roles. The task is clearly cut out for all of us and it is time that we collectively work together to fulfil this new role and affirm the sunshine status of the auto industry.

I wish you all the best.

Vinod K. Dasari

Vinod K Dasari



Mr Vinod K Dasari

President, SIAM &
Managing Director,
Ashok Leyland Ltd



Mr Ravi Pisharody

Vice President, SIAM &
Executive Director –
Commercial Vehicles,
Tata Motors Ltd



Mr Kenichi Ayukawa

Treasurer, SIAM &
Managing Director & CEO,
Maruti Suzuki India Ltd



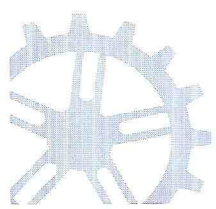
Mr Vinod K Dasari, President – SIAM, attending a meeting with Hon'ble Minister of Road Transport & Highways, Shri Nitin Gadkari and Mr Sanjay Mitra, the then Secretary, Road Transport & Highways, at New Delhi



(L-R) Dr Abhay Firodia, Past President – SIAM, Mr Vinod K Dasari, President – SIAM, Mr Vishnu Mathur, Director General – SIAM, and Mr S Sandilya, Past President – SIAM, at the SIAM Executive Committee Meeting



(L-R) Mr Kenichi Ayukawa, Treasurer – SIAM, Mr Ravi Pisharody, Vice President – SIAM, Mr Vinod K Dasari, President – SIAM and Mr Vishnu Mathur, Director General – SIAM, at the SIAM Executive Committee Meeting



SIAM

The Society of Indian Automobile Manufacturers (SIAM) is a not for profit apex national body representing all major vehicle and vehicular engine manufacturers in India.

SIAM works towards supporting sustainable development of the Indian Automobile Industry with the vision that India emerges as the destination of choice in the world for design and manufacture of automobiles. It works towards facilitating enhancement of the competitiveness of the Indian Automobile Industry, reducing cost of vehicles, increasing productivity and achieving global standards of quality.

SIAM provides a window to the Automobile Industry in India and works closely with stakeholders in the formulation of the economic and commercial policies, regulations and standards relating to automobiles. It provides economic and statistical information as well as technical and public policy services to the stakeholders on behalf of Indian Automobile Industry. It publishes Monthly Industry Statistics, Monthly Commodity Price Monitor and other periodic reports. It also organises seminars and workshops on the topics of topical relevance and interest to the industry. For carrying out various public policy activities, particularly in the field of road safety and environment, SIAM has partnered with other stakeholders and set up the Society for Automotive Fitness & Environment (SAFE).

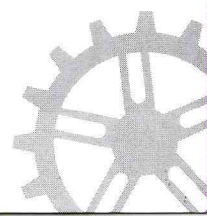
SIAM works closely with the Government and with international bodies like International Organisation of Motor Vehicle Manufacturers (OICA), International Motorcycle Manufacturers Association (IMMA) and coordinate with other counterpart international associations like German Association of the Automotive Industry (VDA), Japan Automobile Manufacturers Association (JAMA), The Society of Motor Manufacturers and Traders (SMMT), China Association of Automobile Manufacturers (CAAM), Korean Automobile Manufacturer Association (KAMA), The Thai Automotive Industry Association (TAIA), Malaysian Automotive Association (MAA), Indonesian Automotive Industry Association (GAIKINDO), ASEAN Automotive Federation (AAF), etc.

SIAM, jointly with ACMA and CII, organises Auto Expo, a widely awaited biennial auto exhibition showcasing the trends in the Auto Industry. SIAM also organises regional as well as segment specific shows across the country.

SIAM aims to promote safety, address air quality improvement, compliance with standards and promotes growth with responsibility.

To achieve this, SIAM focuses on several areas:

- Improve Indian automotive industry's competitiveness
- Promote development of a sustainable mobility eco-system
- Promote development of Alternative Energy Vehicles
- Achievement of leadership in innovative technology



Performance of The Automobile Industry In 2016-17

Production

During the April-March 2017 period, the industry produced a total of 25,316,044 vehicles, including Passenger Vehicles, Commercial Vehicles, Three-Wheelers, Two-Wheelers and Quadricycles, compared to 24,016,599 in April-March 2016, a growth of 5.41 percent.

Domestic Sales

The sales of Passenger Vehicles grew by 9.23 percent in April-March 2017 over the previous year. Within Passenger Vehicles, Cars, Utility Vehicles and Vans grew by 3.85 percent, 29.91 percent and 2.37 percent respectively during April-March 2017 over the previous year.

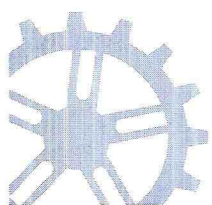
Commercial Vehicles registered an overall growth of 4.16 percent in April-March 2017, compared to the same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) grew by 0.04 percent and Light Commercial Vehicles by 7.41 percent in fiscal year 2017 over 2016.

Three-Wheeler sales declined by (-) 4.93 percent year-on-year in the period under discussion. Passenger Carrier sales declined by (-) 8.83 percent but Goods Carrier sales grew by 12.75 percent in April-March 2017 over April-March 2016.

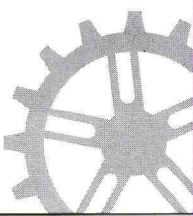
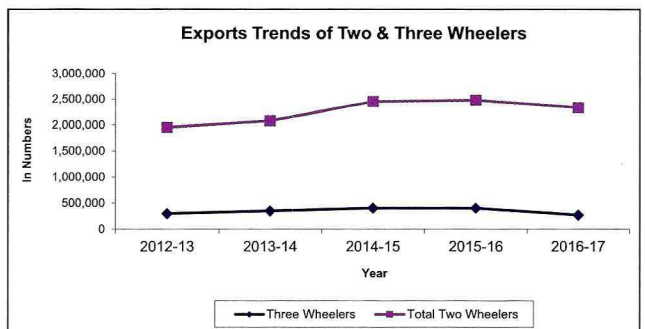
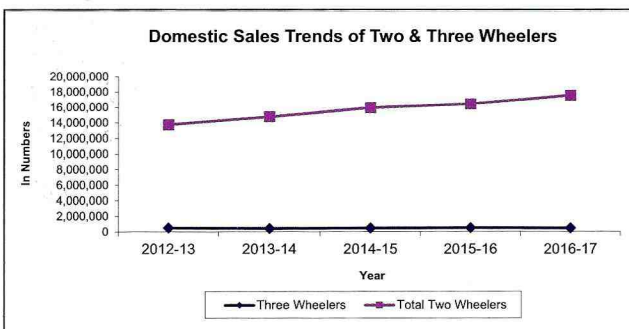
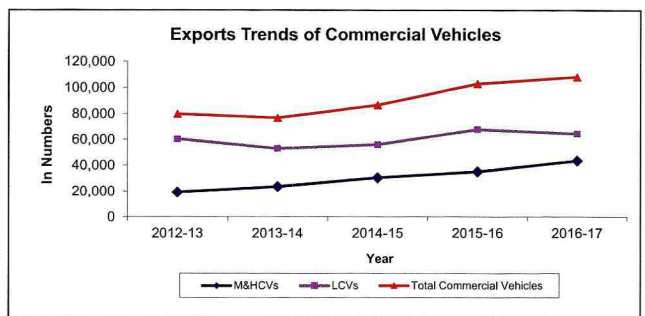
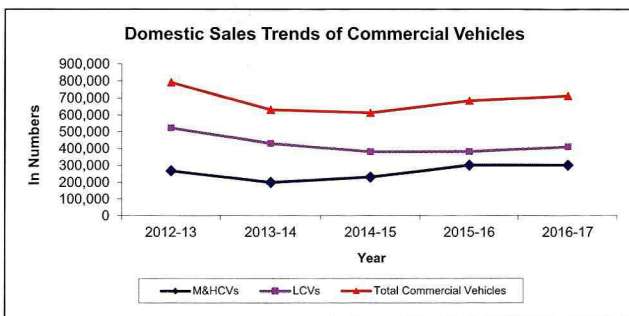
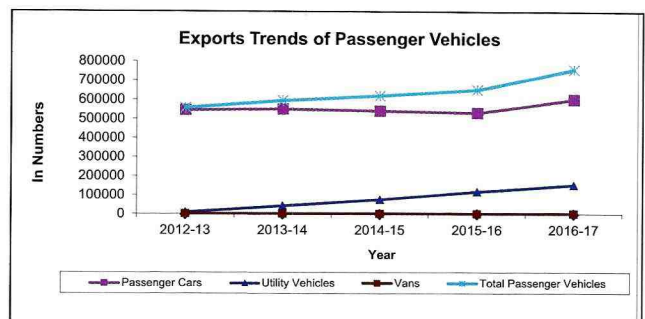
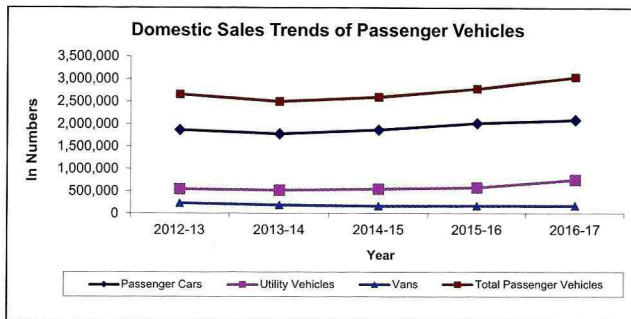
Two-Wheelers sales registered a growth of 6.89 percent in April-March 2017 over the previous fiscal year, and within the segment, Scooters, Motorcycles and Mopeds grew by 11.39 percent, 3.68 percent and 23.02 percent respectively.

Exports

In April-March 2017, overall automobile exports declined by (-) 4.50 percent. While Passenger Vehicles and Commercial Vehicles exports registered a growth of 16.20 percent and 4.99 percent respectively, exports of Three-Wheelers and Two-Wheelers declined by (-) 32.77 percent and (-) 5.78 percent respectively in April-March 2017 over April-March 2016.



Domestic Sales Trends



Automobile Production Trends

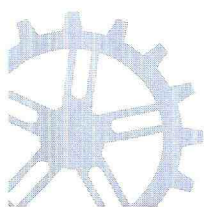
(Number of Vehicles)					
Category	2012-13	2013-14	2014-15	2015-16	2016-17
Passenger Cars	2,423,086	2,322,578	2,422,158	2,565,970	2,704,600
Utility Vehicles	568,538	568,692	626,296	717,809	906,750
Vans	239,434	196,703	172,965	181,266	180,190
Total Passenger Vehicles	3,231,058	3,087,973	3,221,419	3,465,045	3,791,540
M&HCVs	280,677	221,556	268,558	341,287	342,733
LCVs	551,972	477,479	429,740	445,405	467,553
Total Commercial Vehicles	832,649	699,035	698,298	786,692	810,286
Three Wheelers	839,748	830,108	949,019	934,104	783,149
Scooters	3,026,512	3,676,213	4,722,747	5,276,138	5,926,379
Motorcycles	11,925,690	12,474,626	13,011,219	12,816,203	13,084,074
Mopeds	791,954	732,210	755,345	737,886	919,032
Total Two Wheelers	15,744,156	16,883,049	18,489,311	18,830,227	19,929,485
Grand Total	20,647,611	21,500,165	23,358,047	24,016,068	25,314,460

Automobile Domestic Sales Trends

(Number of Vehicles)					
Category	2012-13	2013-14	2014-15	2015-16	2016-17
Passenger Cars	1,874,055	1,786,826	1,877,706	2,025,097	2,102,996
Utility Vehicles	553,662	525,839	552,135	586,576	761,997
Vans	237,298	190,844	171,395	177,535	181,734
Total Passenger Vehicles	2,665,015	2,503,509	2,601,236	2,789,208	3,046,727
M&HCVs	268,689	200,618	232,755	302,397	302,529
LCVs	524,522	432,233	382,193	383,307	411,703
Total Commercial Vehicles	793,211	632,851	614,948	685,704	714,232
Three Wheelers	538,290	480,085	532,626	538,208	511,658
Scooters	2,923,424	3,602,743	4,500,920	5,031,678	5,604,601
Motorcycles	10,085,000	10,481,115	10,726,013	10,700,406	11,094,543
Mopeds	788,761	722,920	748,628	723,767	890,367
Total Two Wheelers	13,797,185	14,806,778	15,975,561	16,455,851	17,589,511
Grand Total	17,793,701	18,423,223	19,724,371	20,468,971	21,862,128

Automobile Exports Trends

(Number of Vehicles)					
Category	2012-13	2013-14	2014-15	2015-16	2016-17
Passenger Cars	547,222	551,218	542,112	532,630	602,341
Utility Vehicles	10,423	43,433	77,025	118,741	154,153
Vans	1,769	1,491	2,204	1,682	2,336
Total Passenger Vehicles	559,414	596,142	621,341	653,053	758,830
M&HCVs	19,524	23,813	30,652	35,197	43,719
LCVs	60,503	53,237	56,287	67,927	64,552
Total Commercial Vehicles	80,027	77,050	86,939	103,124	108,271
Three Wheelers	303,088	353,392	407,600	404,441	271,894
Scooters	91,062	93,931	195,407	257,481	293,592
Motorcycles	1,862,008	1,982,817	2,252,066	2,210,615	2,025,529
Mopeds	3,308	7,252	9,993	14,780	20,152
Total Two Wheelers	1,956,378	2,084,000	2,457,466	2,482,876	2,339,273
Grand Total	2,898,907	3,110,584	3,573,346	3,643,494	3,478,268

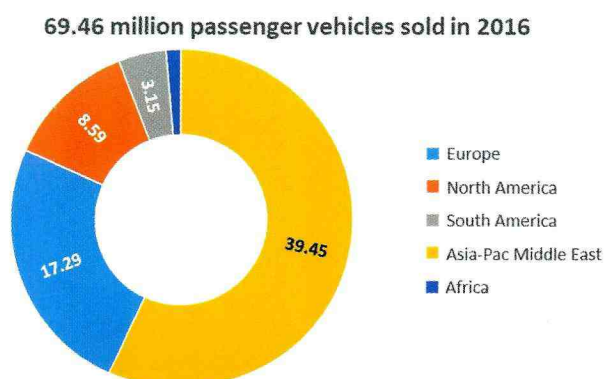


Global Auto Industry Performance in 2016

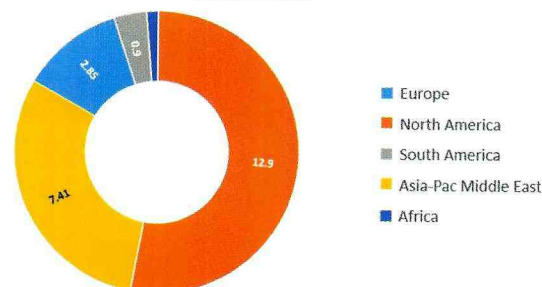
It was a good 12 months for the industry, growing by 4.5% over 2015, showing robust growth in both Passenger and Commercial Vehicles, reaching close to 94 million units, excluding Two-Wheeler and Three-Wheeler sales.

However, what defined and dominated the industry in 2016 were issues to do with emissions, regulations, autonomous mobility, electric vehicles and the impact of 'Industrial Revolution 4.0'.

Passenger Vehicles sales inched very close to the 70 million units mark with the region of Asia-Pacific & Middle East increasing their share from 50% in 2015 to 56% in 2016! The 3-year trend shows an upward journey especially with a 4.7% upswing over the last 12 months, yet falling sales in Africa, Central and South America are of concern as they constitute emerging markets! Europe's growth was led by Germany, France, Italy and Spain. Russia's drop in 2015 seems to have been controlled while Turkey showed a minor, yet significant upswing. The Americas are a bit of concern, needing introspection. In North America, the continuing rise in Mexico could not help makeup the 8% drop in the US and the 7% drop in Canada. South America continues its downward trend with Brazil and Colombia leading the dip. Another emerging market, Africa contracted by 13% over 2015, led by South Africa by 12% and Algeria by a massive 50%. The Asia-Pacific & Middle East region led the growth of the category with a 9% growth over last year, led again by China and India. Iran and Vietnam show very promising signs, making



24.39 million commercial vehicles [incl. light trucks] sold in 2016



up for the minor dips in Japan, Malaysia, Thailand and Saudi Arabia, while Korea remained stable.

Commercial Vehicles sales rose marginally by 2.3% to 24.3 million units in 2016. The growth would have been higher, led primarily by the buoyant light truck sales in all North American markets of US, Canada and Mexico were it not for the drop in South America primarily in Brazil. Europe has seen its 4th year of growth led again by the traditional markets of France, Germany, Italy and Spain while UK held its ground. While Russia shows signs of a slow recovery and Poland looks promising, Turkey fell by 12%, spoiling the party a bit. Asia-Pacific & Middle East saw a slight increase led by Australia, China, India and Vietnam!

**The Big 7 of Passenger Vehicles
(Sales in million units)**

China	24.37
USA	6.87
Japan	4.14
Germany	3.35
India	2.96
UK	2.69
France	2.01

Source: OICA



Building the Nation, Responsibly

The Indian automobile industry is central to the country's economy, be it growth, purchase power, consumer confidence and our global stature.

The automobile industry is 6% of the country's GDP employing 2 million people directly and over 30 million people indirectly, through the backward and forward linkages.

We are the 2nd largest Two-Wheeler maker, 2nd largest Bus maker, 3rd largest Heavy Truck maker, 6th largest Car maker and 7th largest Commercial Vehicle maker in the world.

By 2026, the industry aims to be one of the 3 largest in the world, contributing to 12% of India's GDP and supporting employment of 100 million people, directly and indirectly.

The numbers above are the end and not the means.

The means are the initiatives that the industry has undertaken over the years, especially the last 15 years in:

- democratising mobility through public and private transport
- ensuring energy security
- cohabiting with other industries
- adopting global standards in emissions, safety and manufacturing
- building sustainable communities
- continuous skill upgradation
- increasing consumer consciousness
- social green and safety initiatives

The industry is...

Not just about numbers. But empathy.

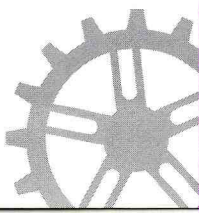
Not just about diversity. But inclusiveness.

Not just about exports. But national pride.

Not just about vehicles. But mobility.

Not just economic contribution. But nation building.

Not just building the nation. But building it responsibly!



SIAM Annual Activ

August 2016

- SIAM Annual Convention
- SIAM-ACEM Meeting
- Executive Committee Meeting
- Human Capital Group Meeting
- Industry Data Release
- Anti-Counterfeiting Group Meeting
- Road Safety Mega Program launch with Delhi Traffic Police

September 2016

- Taxation Group Meeting
- Executive Committee Meeting
- Industry Data Release
- IT Group Meeting
- CSR Group Meeting
- SIAM-JAMA Meeting

December 2016

- Sourcing Group Meeting
- Styling & Design Group Meeting
- Two-Wheeler Group Meeting
- Executive Committee Meeting
- Vahan Meeting
- Industry Data Release
- EnC Group Meeting
- Road Safety Inter School competitions among 30 Schools in New Delhi

January 2017

- Looking Ahead Conclave
- GST Workshop
- CMVR Group Meeting
- National Road Safety Week
- Styling & Design Workshop
- Industry Data Release
- SIAM and EV stakeholders meeting with DHI
- Frontier Technology Group Meeting
- CMVR Group Meeting

April 2017

- Sourcing Group Meeting
- Taxation Group Meeting
- Executive Committee Meeting
- HR Workshop
- Industry Data Release
- IT Group meeting
- CSR Group Meeting
- SAFE Annual Convention at Odisha
- Entire industry switched from BS-III to BS-IV emission norms across the country
- Passenger Vehicles crossed 3 Million Domestic Sales mark for the first time
- Highest ever exports of Passenger Vehicles
- Highest ever exports of Commercial Vehicles
- Highest ever exports of Scooters

ities & Milestones

October 2016

- Three-Wheeler Group Meeting
- Styling & Design Workshop
- Industry Data Release
- OICA Technical Council Meeting
- EnC Group Meeting
- Two-Wheeler Group Meeting
- CSR Group Meeting
- Road Safety Awareness Drive at Ahmedabad by SSV Campus

November 2016

- SIAM- JAMA Meeting
- CSR Conclave
- Industry Data Release
- Frontier Technology Group Meeting
- CMVR Group Meeting
- Road Safety Programs with Delhi Traffic Police
- SIAM Trade Fair group meeting

February 2017

- Styling & Design Conclave
- Taxation Group Meeting
- Indo-Bangla Automotive Show
- Trade Fairs Group Meeting
- Executive Committee Meeting
- Human Capital Group Meeting
- Industry Data Release
- Frontier Technology Group Meeting
- Indo-Dutch Workshop on Electrification of Public Transport & Charging Infrastructure in India
- Indo-Bangla Trade & Technical Workshop
- SIAM-JAMA High Level Meeting
- Road Safety activities with Students and drivers during Delhi Police Week

March 2017

- Emission & Conservation Group meeting
- Two-Wheeler Group Meeting
- Recycling Group Meeting
- Taxation Group Meeting
- Industry Data Release

May 2017

- Export Group Meeting
- Taxation Group Meeting
- Industry Data Release
- CMVR Group Meeting
- SIAM Service Head meeting
- Road Safety Activities organised during UN Global Road Safety Week
- SIAM Trade Fairs group meeting
- India became No.1 Two-Wheeler market in the world at 17.6 Million units

SIAM 56th ANNUAL CONVENTION 2016



Shri Anant G Geete, Hon'ble Union Minister of Heavy Industries and Public Enterprises, and other eminent dignitaries at the Inaugural Session of SIAM Annual Convention 2016

Based upon the theme of 'Building the Nation, Responsibly', Society of Indian Automobile Manufacturers (SIAM), organized its 56th Annual Convention with a curtain raiser on 'Mobility in India in 2025' on 31st August 2016 in New Delhi. The convention focused on the future of mobility in India and globally while providing insights on Indian automotive industry's linkages with overall development of the economy.

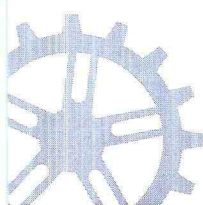
The event also witnessed valuable participation by policy-makers and the decision-makers from the Government of India, including Ministers and Secretaries, apart from other stakeholders including the media.

Hon'ble Union Minister of Heavy Industries and Public Enterprises, Shri Anant G Geete, inaugurated the 56th SIAM Annual Convention. Addressing the guests Shri Geete said, "After the Hon'ble Prime Minister gave the 'Make in India' call, the auto industry has played a key role in this programme. The environment is one of the biggest concerns for the sector. We have therefore allocated Rs 14,000 crore for the FAME scheme for promoting hybrid and electric mobility, which will save Rs 60,000 crore worth of fuel, thereby, benefitting the environment."

Welcoming the gathering during the inaugural session, Mr Vinod K Dasari, President – SIAM, said, "We appreciate the support from the Minister and the Ministry of Heavy Industries & Public Enterprises. We also welcome the Government's efforts in passing GST, but request that there be no more than two rates for the automotive industry."

On the challenges of Indian auto industry, Mr Dasari added, "The Indian automotive industry is facing new challenges in providing sustainable mobility for the masses. We have sought a long-term roadmap on safety, emissions and fuel efficiency norms. In order to make practical and rational regulations, we seek a single ministry, single window for the industry. We would also like to thank the Government for accepting SIAM's suggestion of the Fleet Modernisation scheme. Industry will be happy to offer further incentives to customers to supplement the Government's incentive for purchase of a new vehicle against a scrapped vehicle."

Mr John Moavenzadeh, Head of Mobility Industries, World Economic Forum on Global Trends in Mobility, USA said, "We are witnessing the 4th industrial revolution and the shifting automotive game. The 4th Industrial



Revolution is not categorised by one single technology but by diverse technologies. The global auto industry is in the midst of a more profound transformation not seen in the past 100 years. Automotive demand is undergoing a seismic shift between developed and emerging economies. The automotive game is changing from volume to value; from the customer's focus on the product to the mobility experience; from customer-driven vehicles to software-driven ones. By 2026, the Indian automotive industry will be among the top three in the world in engineering, manufacture and exports of vehicles and components."

The day began with its first session on 'Sustainable Mobility for Creation of Wealth of Nations'. Addressing the gathering, Mr Guenter Butschek, Chief Executive Officer and MD, Tata Motors said, "As a home ground to the world's largest youth population, the Indian economy is witnessing an unprecedented advantage compared to other countries."

Dr Wilfried Aulbur, Managing Partner India, Chairman Middle East & Africa, Head Automotive Asia, Roland Berger India, said, "The automotive industry is a significant driver for FDI in India. It also drives process improvements and quality; however, these opportunities are not fully used. We need to stimulate volumes to boost GDP and create more job opportunities. While the Government's support is appreciated, a holistic, long-term policy is required."

In Session Two on 'Technology Trends', Chief Guest, Hon'ble Minister of Road Transport, Highways and Shipping, Shri Nitin Gadkari – speaking via a recorded video message – welcomed the industry's support in solving pollution problems and agreeing to move straight to BS-VI from BS-IV and also sought the industry's support in improving road safety. The Hon'ble Minister said, *"The automotive sector is on the road towards growth and success with a turnover of Rs. 4,50,000 crore that is generating many jobs. The Government is seeking ways to ensure that a large part of the global supply can be exported from India. While pollution is one of the biggest concerns, the industry has been very supportive of our efforts to address this issue. We are attempting to implement a scrapping policy for old vehicles, which will help reduce pollution."*

Addressing the gathering, Dr Robert Stephen Moran, Deputy Head, Office for Low Emission Vehicles, Departments for Transport, Business, Energy & Industrial Strategy, Government of United Kingdom, said, *"As we move towards more efficient models, diesel engines have a big role to play in the UK. Here, there are four policy drivers: air quality, energy security, carbon and inward investments"*.

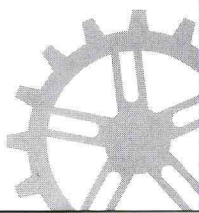
The Convention concluded with a session on 'Overcoming Mindsets' and 'Policy Alignment'.

Addressing the gathering in Session three, Mr Amitabh Kant, CEO, National Institution for Transforming India (NITI Aayog), highlighted various Government initiatives to support industry. He said, "GDP growth of 9-10% is a challenge. But during the past few years, 1,053 laws have been scrapped. The Government is making all efforts to ensure India emerges as an easy place to do business. India needs to become an open economy. The country must manufacture to export – not just for the domestic market".

Dr Abhay Firodia, Past President, SIAM, Chairman, SIAM Economic Affairs Council & Chairman, Force Motors, said, "As Ambedkar said, there are two ways to solve a problem: cooperation or conflict. The seed cooperates with the soil and receives nutrients. The second is the conflict form of evolution, where the seed fights the soil and air to receive its share of nutrients and oxygen. Whenever there is a mindset of cooperation, society performs well, unlike when there is conflict. Today, the consumers' mindset has changed and they want products of global quality. India now realises the importance of enterprise, which will get us out of the current mindset of conflict."

The panel discussion on 'Policy Alignment', which was moderated by Dr Pawan Goenka, Past President, SIAM and the then Executive Director, Mahindra & Mahindra.

Speaking during the panel discussion, Mr Girish Shankar, Secretary – Department of Heavy Industry, said that the Government expects India to grow into an export hub, contributing 12% of the GDP by 2026. The auto industry will also be a key player in Skill India, creating around 65 million jobs. He welcomed



suggestions on the current GST draft, saying these would be forwarded to the Ministry. Mr Shankar said the Government would provide full support to reach targets in production, exports and technology.

Mr Abhay Damle, Joint Secretary – Ministry of Road Transport & Highways, congratulated the sector for being one of the most compliant in terms of implementing regulatory norms. He spoke about challenges confronting the auto industry, such as fuel efficiency norms, scrapping policy and targeting low emissions. He commended the industry for accepting the challenge of implementing BS-VI within a short timeframe and also laid emphasis on safety issues.

Mr Arun Tripathy, Advisor – Ministry of New &

Renewable Energy, recommended that the auto industry should give importance to alternative fuel systems, such as battery-driven vehicles, which should be charged by solar energy. Mr Tripathy said renewable energy should be used in auto technology and the Ministry would be willing to help if the industry came up with innovative alternative fuels.

The 56th Annual Convention again renewed SIAM's and auto industry's commitment towards the nation and act as an agent of growth for the society. SIAM has always acted as a bridge between the industry and the Government and this year focus was especially on critical aspects of environment preservation, growth with responsibility and optimum use of the available resources.

ECONOMIC & COMMERCIAL AFFAIRS



SIAM – JAMA meeting at New Delhi

Building International Relations

SIAM has been working on developing relationships with the global automotive fraternity and has successfully built close relations with many global automotive associations, such as OICA, IMMA and APEC Automotive Dialogue and counterpart associations, such as CAAM, JAMA, KAMA and VDA. Many of these relationships have helped SIAM emerge as a part of the global automotive fraternity and helped it communicate and gain recognition on its stand on varied matters.

SIAM's participation in meetings of UNECE, OICA and IMMA have been helpful in information sharing, understanding global Trade flows and automotive policies, and understanding the development of automotive technology and standards worldwide.

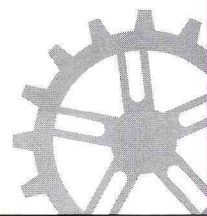
SIAM has become an active participant in international harmonization discussions, and it is becoming informed and taking cautious decisions on various aspects of framing of automotive regulations and norms in the country.

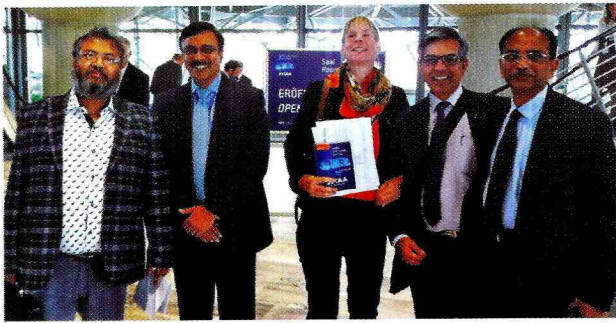
India was not a signatory to the Asia Pacific Economic Cooperation (APEC), hence SIAM does not have any official status in the APEC Automotive Dialogue (APEC

AD). However, recognizing the importance of the Indian automobile industry in the global landscape, APEC AD invited SIAM to participate as a guest member, and SIAM has been participating in the APEC AD for the last 14 years.

This participation has helped SIAM further relationships with Japan Automobile Manufacturers' Association (JAMA), Korea Automobile Manufacturers' Association (KAMA), China Association of Automobile Manufacturers (CAAM), Federation of Automotive Industries of the Philippines (PAFI), Association of Indonesian Automotive Industries (GAIKINDO), American Automotive Policy Council (AAPC), Vietnam Automobile Manufacturers' Association (VAMA) and Malaysian Automotive Association (MAA), among others.

As it has in the past, SIAM continued its engagement with many of these bodies in 2016-17, and participated in the OICA General Assembly in March 2017 and the APEC Automotive Dialogue, etc. Working relations with CAAM has helped SIAM become a regular participant at China Auto Forum. SIAM was also invited this year to a closed-door meeting between Chinese automobile companies and various departments of the Government of China.





(L-R) Mr R K Singh, Joint Secretary, Ministry of Heavy Industries & Public Enterprises, Government of India, Mr Vinod K Dasari, President – SIAM, Ms Angela Mans, Head – Foreign Trade & International Relations, VDA, Mr Vinnie Mehta, Director General – ACMA and Mr Vishnu Mathur, Director General – SIAM at the opening ceremony of 66th IAA Commercial Vehicles at Hannover, September 2016

Under the leadership of Mr Vinod K Dasari, SIAM attended IAA Commercial Vehicles Show at Hannover in September 2016. A joint working group meeting was organised and attended by Department of Heavy Industries, SIAM, ACMA and VDA officials.

Through the year, JAMA and SIAM remained engaged in dialogue to work on various concerns that affect the Indian automobile industry. A Joint Working Group was formed to examine topics of mutual interest affecting business in India, and it is deliberating on possibilities of SIAM-JAMA cooperation in air quality improvement and industry image building.

SIAM also participated in the 10th Indo-German Joint Working Group (IGJWG) meeting held in May 2017 in Berlin. In the meeting VDA confirmed the association partnership programme between ACMA, SIAM and VDA by Ministry of Economic Cooperation and Development, Government of Germany. The project seeks to associate the Indian and German automotive industries to

discuss topics of common interests while coping with challenges in the sector, and have established capacities that provide enterprises with know-how and services respectively.

Going forward, SIAM will continue to engage with global automotive associations and counterpart associations to communicate and get cognition of SIAM's stand on various topics on world forums. SIAM also plans to engage with counterpart associations in countries such as Bangladesh, Sri Lanka, Saudi Arabia, Brazil and South Africa, among others, in a more comprehensive manner.

Trade Policy

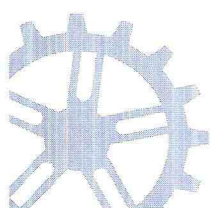
Providing industry views on various trade-related developments to the Government, including views on bilateral trade agreements, multilateral trade agreements and WTO-related developments.

SIAM has, over the years, clearly communicated its stand on the need to maintain automobile CBUs in the sensitive list, with no concession in tariffs, in any bilateral trade agreements, plurilateral trade agreement, regional trade agreement or multilateral trade agreements. SIAM supports access to Indian market through the investment route rather than trade and a liberal foreign direct investment policy for the automobile industry, 100% FDI with no restriction on imports, no localization requirement, no export obligation and no local R&D requirement help companies enter the market easily.

India is currently engaged in several FTAs/RTAs, e.g., RCEP, India-EU FTA, India-Australia FTA, India-



Meeting of Department-related Parliamentary Standing Committee on Commerce at Chennai





Canada FTA, etc. SIAM has conveyed that we should avoid FTA concessions to competing countries so that domestic production and employment are not adversely impacted. Request has also been made by SIAM to Government of India for engaging in trade agreements with key markets for automobiles, and for negotiating lowered tariff rates and non-tariff barriers in the automotive segment so as to enhance exports from India.

Government of India was successful in getting automobile CBUs included on a non-reciprocity basis in the expansion of India-Chile PTA. Government of India has also started negotiating trade agreements with Australia, Canada and Peru, and is in early economic dialogue with Colombia. In all the trade agreements, the Rules of Origin for automobile CBUs have been defined as 50% value addition + Change in Tariff Heading.

SIAM will continue to engage with Government of India to ensure a conducive policy to enable growth of the domestic industry. It would also continue efforts to achieve better access to key automobile markets for enhancing exports.

Exports

From 168,000 units over all categories of vehicles exported in 2001-02, to 3.5 million units in 2016-17, it translates into a CAGR of 21% over 16 years. Such has been the growth story of exports of vehicles from India.

India's balance of trade balance of trade has been a worry area ever since Independence. Barring 1972-73 and 1976-77, when the balance of trade was positive at INR 104 crore and INR 68 crore respectively, the balance of trade has been negative in all these years.

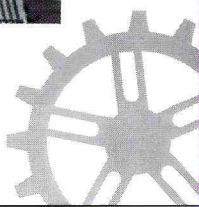
Against this backdrop, the automobile industry has been one industry that has positively affected India's balance of trade. The Indian automobile industry has been exporting vehicles to over 150 nations. Almost 20% of Passenger Vehicles, 13% of Commercial Vehicles, 12% of Two-Wheelers and 35% of Three-Wheelers manufactured in India are exported. Vehicle exports alone account for 4% of the country's total commodity exports, rising to as much as 8% if auto components are included.

The growth in exports can be seen from the figures provided below:

Category	2000-01	2016-17	CAGR
Passenger Vehicles	27,112	758,830	23.2%
Commercial Vehicles	13,770	108,271	13.8%
Two Wheelers	111,138	2,339,273	21.0%
Three Wheelers	16,263	271,894	19.2%
Grand Total	168,283	3,478,268	20.8%

Vehicles manufactured in India have found strong acceptance in emerging markets. The share of exports to Latin America and Africa have increased, while to Europe it has declined.

The export of vehicles in 2016-17 is estimated to be around INR 70,000 crore (USD 10.45 billion). As per the draft Automotive Mission Plan 2016-26, vehicle exports can touch INR 2,23,300 crore (USD 33.3 billion) by 2026 on the conservative side, and INR 2,95,000 crore (USD 44 billion) on the optimistic side. Unlike other industries, where exports have suffered during recessionary years, automobile exports have mostly seen year-on-year growth.



Exports Concerns

SIAM continued to engage with the Government to provide suggestions on improving exports of vehicles from India.

SIAM organised a trade workshop between members of Exports Group and officials from Department of Commerce and Directorate General of Foreign Trade.

The issues that were taken up during the workshop included the following:

1. Curtailment of benefit under Foreign Trade Policy 2015-20 for vehicle exports: The benefit, which was to the tune of 2% to 4%, was replaced by a flat benefit of 2% the Merchandise Exports Incentive Scheme (MEIS).
2. No benefit for exports to neighbouring markets such as Bangladesh and Sri Lanka.
3. Declining exports to Africa due to unavailability of US dollars.
4. Losing share in key export markets, including Algeria, Egypt, Nigeria, South Africa, Peru, Colombia, Philippines, Myanmar and Vietnam, due to tariff disadvantage.
5. Requirement of landing certificates.
6. Discontinuation of the Incremental Export scheme.

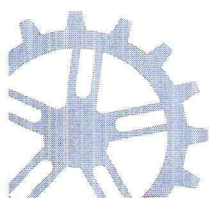
Constant efforts helped us get MEIS incentive for vehicle exports to C Category countries such as

Sri Lanka, Bangladesh, Nepal and Bhutan. The requirement of landing certificate was also discontinued, which will save cost as well as procedural hassles. Government of India is still looking at avenues to support vehicle exports to Africa which have stumbled due to non-availability of US Dollars. The negotiations on expansion of India-Chile FTA have concluded and vehicle exports have got the benefit of lower duty. Negotiations with Peru have begun, and possibilities are being explored for cooperation with Colombia.

Study on Export Opportunities

SIAM had commissioned a study to ICRA Management Consulting Services (IMaCS) in 2014 to assess the challenges that impact the export competitiveness of OEMs in India, and the export opportunities for vehicles. Based on the report, several recommendations were made to the Government, which translated into some Government actions as well.

Detailed analyses have been done on major vehicle markets of Algeria, Libya, Nigeria, Kenya, South Africa, Egypt, Chile, Peru, Colombia, Saudi Arabia, UAE, Israel, Indonesia, Philippines, Bangladesh, Sri Lanka, Nepal, Mexico, Australia and the United Kingdom. Analysis has been done on the macroeconomic and automobile market trends in the identified countries/regions along with an assessment of tariff and non-tariff issues related to export of vehicles to these countries/regions from India.





Members during the SIAM Exports group meeting at New Delhi

The suggestion that have come out from the report include the following:

1. Addressing tariff and non-tariff barriers
2. Enhancing exports incentives
3. Addressing infrastructure and procedural issues
4. Exploring possibility of apportioning some amount of USD trade with oil/other major item imports from trade partners on a preferential basis, to pay off Indian exports to these nations
5. Developing better political relations with the Government in exports markets.

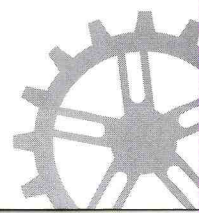
Exports to Gulf Region

Auto OEMs exporting to Gulf countries were facing some difficulty with standards and procedures regarding conformity assessment for export of vehicles to GCC countries. Under the aegis of SIAM, a delegation of OEMs visited the GCC Standardisation Organisation (GSO) at Riyadh, Saudi Arabia, and met the Director of Conformity Assessment and Certification.

The GSO was informed about the strength of the Auto industry in India in terms of quality, and that India's robust system of standards are in line with



Members of the SIAM delegation at GSO, Riyadh, Saudi Arabia



ECE Standards. The GSO was convinced of Indian companies' technical expertise and agreed to explore acceptance of Indian Standards for import into GCC countries. The GSO also agreed to involve SIAM in the process of formulation of the GCC Standards. It was agreed to continue this interaction on at least an annual basis.

Economic Research

SIAM Economic Research Group has been providing segment-wise demand forecast every year. This year saw the 11th edition of the Looking Ahead Conclave, an annual mega economic conclave. The group actively worked towards framing the Automotive Mission Plan 2016-26. Members of the SIAM Economic Research Group have guided the conduct of several research studies.

CRISIL is undertaking research on behalf of SIAM for automobile demand forecast. In the last year, several changes have been incorporated to make the report more useful for group members. Current forecasting models are based on regression techniques, which build linear relationships between explanatory variables and vehicle sales. However, these techniques do not fully capture extreme conditions that develop during volatile periods. CRISIL Research is planning to work on advance techniques such as Neural Network, which would entail testing and validating hundreds of new models and outputs.

Economy Monitor

Progress has also been made on the objective of providing quarterly economic insights to members. The Economy Monitor has been prepared in consultation with the Group, and is being regularly circulated to the SIAM Executive Committee and SIAM members at large. The Group is regularly providing feedback on the report to make it exhaustive.

11th SIAM Looking Ahead Conclave – Doing Business In Challenging Times

SIAM Economic Research Group organised the 11th Looking Ahead Conclave – Doing Business in Challenging Times on January 24, 2017 in Hotel Taj Mansingh, New Delhi.

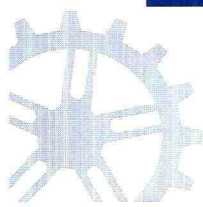
The day started with opening remarks by Mr Narayan Swamy Raja, Chairman – SIAM Economic Research Group & Director & Sr Vice President - Sales & Marketing, Toyota Kirloskar Motor.

The programme of the conclave was organised in multiple sessions to capture the Outlook for Global and Indian Economy; Demonetization & its Impact on the Economy and Automobile Industry; Projections for Indian Automobile Market, etc.

In the inaugural session, Mr Amitabh Kant, CEO, NITI Aayog talked about challenges being faced by the industry and the support extended by the Government. He spoke about the current policy environment, Automotive Mission Plan 2016-26, short-term impact of demonetization, trade-related developments, and developments happening on the fronts of emission, alternate fuel and safety. He also shared with participants the changing dynamics of the automobile industry and the future of mobility, such as connected vehicles, self-driven cars, mobility experience and shared mobility. His idea was that these developments would have a huge repercussions on the automobile industry, and policy makers and the industry should work to ascertain how these developments would affect its growth.

The group, in the future, will continue to:

1. Make accurate demand forecasts
2. Make the Economy Monitor a handy document for reference on the performance of the economy and its implication for automobile industry





Mr Amitabh Kant, CEO, NITI Aayog, addressing the audience during the inaugural ceremony of the Looking Ahead Conclave

3. Fill the knowledge gap for the automobile industry wherever required
4. Make Looking Ahead Conclave more informative

Taxation Policy, Procedural & Direct Tax Union Budget

Similar to previous years, SIAM continued to remain engaged with the Ministry of Finance, Department of Heavy Industry, Department of Industrial Policy & Promotion and Department of Commerce for submitting representations ahead of the Union Budget. The group put forth suitable suggestions for the consideration of the Government with regards to Tax collection at source (TCS) of vehicles, depreciation rate for motor cars, MUVs & Two-wheelers and other procedural issues, along with suggestions on GST.

SIAM Taxation group continues to take up the

challenges listed below. These challenges also formed a part of our Post Union Budget 2017-18 suggestions.

1. Applicability of Tax Collected at Source (TCS) on purchases of vehicles by authority set up by Central or a State or a Provincial Act.
2. Place of Effective Management (POEM) implementation in India retrospectively from financial year commencing from April 1, 2016.
3. Scheme for Fleet Modernisation that could incentivise the replacement of vehicles that were registered before the year 2000 when the first emission norms were introduced.

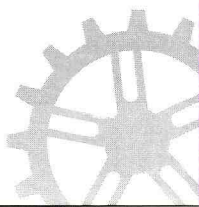
With the announcement of adopting GST, the Indian taxation system has made one of the most significant advancements in recent times. SIAM Taxation Group has consistently remained active and forthcoming on the various steps taken by the Government to prepare the industry for GST implementation.

With the objective of Government to simplify the tax structure while implementation of GST, it was requested that the list of old taxes being repealed under GST should also include Act that levies NCCD, Automobile Cess, R&D Cess on Import of Technology and Infra Cess.

The industry took a stance to protect the interests of the organised Used Vehicle business post implementation of GST. As the used vehicles have already borne taxes (both excise duty & VAT) at the time of original sale of the vehicle by the OEM/dealer, there could be



Members during the SIAM Taxation Group Offsite Meeting at Puri, Orissa





Taxation Group Members during discussion on GST Rules, New Delhi

a cascading of tax if the used car is taxed further. A specific request in this regard was conveyed to Ministry of Finance (MOF) for creating a special provision under valuation rules for taxation of used vehicles under GST regime.

In view of the Government's imperative to generate adequate revenue, industry accepted Government's proposal for a 28% base rate of GST on two-wheelers, three wheelers, commercial vehicles (bus & truck), small cars and utility vehicles. Industry also proposed a uniform cess of 8% for other cars, 12% or lower GST rate for electric vehicles and a 10 percentage point rebate from applicable GST rate on hybrid vehicles.

To lay the basic roadmap ahead of GST implementation, the GST Council released the Model GST Law in June 2016. The Taxation Group made representations to highlight concerns faced by the industry, and several of its suggestions got positive reception, and the Government made corresponding revisions in the second Model GST Law released in November 2016.

Some of the issues, however, remained unaddressed in the second Model GST law. The SIAM Taxation group has been in discussion with CBEC to introduce specific provisions in Transition Rules of GST for companies that enjoy excise duty exemptions for operating in hilly areas.

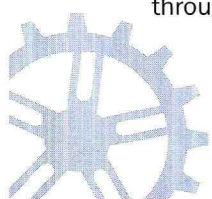
While SIAM Taxation group remained actively engaged throughout the year, GST Rules and procedural issues

saw multiple internal deliberations. One major concern was the issue of lower percentage of credit prescribed in GST Transition Rules, which would have resulted in significant loss in respect of vehicles that are subject to GST. Consistent efforts from the industry helped resolve the issue and full credit for duty already paid was allowed.

With an aim to create awareness on GST-related developments, workshops were organised that saw participation from SIAM member companies. Leading consultants and eminent industry members were invited to make presentations on topics such as GST in the current political environment, implications of the Legal Text, preparedness of GSTN and changing facets of Logistics, Sourcing, Tax Treatment, etc.

As implementation of GST neared, SIAM along with several automobile OEMs present in Maharashtra, made considerable efforts to safeguard state incentives in the post-GST period. SIAM met Honourable Chief Minister of Maharashtra, Shri Devendra Fadnavis and Mr Subhash Desai, Industries Minister, Government of Maharashtra. The hon'ble Chief Minister assured that companies would get adequate compensation under GST regime as well.

In the backdrop of all these positive developments under the Indirect Taxation system, it was imperative to have a sound technological framework for uploading of tax returns. The SIAM Taxation Group met the team from Infosys to discuss user interface, data uploading





Meeting of SIAM Secretariat, along with a few members, with Hon'ble Chief Minister of Maharashtra, Shri Devendra Fadnavis and Mr Subhash Desai, Industries Minister, Government of Maharashtra on continuation of state incentives after the introduction of GST.

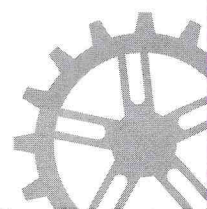
methodology and templates to be used for data files on the GST network.

In May 2017, the GST Council released the much-awaited rates across all categories of goods and services in India. The GST rates for vehicles were mostly in line with the discussions that had been held between the Government and the auto industry. However, the rates for the hybrid electric vehicle segment were raised significantly which have dampened the spirits of companies which have invested in such vehicles.

Similarly, the industry's request for specific provisions for used vehicle trade also got due consideration from the Government, and GST council recommended applicability of GST Rate on sales value less the purchase value for used vehicles. However, the tax rate applicable was same as the rate for new vehicles, which could significantly increase the overall tax burden on used vehicles traded in the organised segment as compared to the unorganised trade.



SIAM Taxation Group during the Post-Budget discussion at the Infosys Office at Bangalore



The rates announced vis-à-vis the rate suggested by SIAM for various categories can be seen in the table below:

Segment	GST Rate announced by the GST Council	SIAM Submission
Hybrid electric passenger cars > 4-meter length	28% (GST Rate) + 15% (Cess)	28% (GST Rate) with no cess
Hybrid electric small cars, commercial vehicles, two wheelers & three wheelers	28% GST Rate	28% (GST Rate) less ~ 10% points
Fuel cell vehicles	28% (GST Rate) + 15% (Cess)	12% without any cess
Used Vehicles	Same rate as for new vehicle, applicable on sales price less purchase price	5% GST Rate on Selling Price – Purchase Price

SIAM organised two workshops on Goods & Service Tax (GST) for the benefit of vehicle manufacturers so that they could understand various aspects of the upcoming indirect tax reform in the country. Senior officials from Logistics, Sourcing and Taxation groups of SIAM attended the day-long events. Tax Consultants from KPMG, Ernst & Young, PricewaterhouseCoopers and the law firm Lakshmikumaran & Shridharan, gave presentations on different topics related to GST and interacted with more than 100 participants.

Implementation of the Vahan Portal

SIAM remained engaged with various stakeholders throughout the year to ensure smooth implementation of the Vahan portal. Vehicle registrations through Vahan 4.0 software have now been extended to more than 200 RTOs in several states, and it is expected that the whole country would be covered by Vahan software soon. Throughout the year, SIAM played an active role and coordinated with member companies to assist them in accessing the Vahan portal and in streamlining various processes.

SIAM also coordinated with the Ministry of Road Transport & Highways (MoRT&H) and a few State Transport Departments on various administrative and policy-related matters to make the complete vehicle registration process user-friendly. National Informatics

Centre (NIC), the software provider implementing Vahan 4.0 software, also coordinated with several vehicle manufacturers in solving their technical problems.

It is expected that once Vahan 4.0 software is implemented across the country, the manual method of registration would be phased away and the country would have one authentic database of vehicle registration and retail sales in the country.

Automotive Styling & Design

SIAM has been promoting capacity building in the area of styling & design of vehicles and has been striving to develop capabilities in India. Among other objectives, SIAM seeks to build bridges between the styling & design community in India and their global counterparts to share information and enhance mutual skills and capabilities.

SIAM organised various activities throughout the year, beginning with a few Design Workshops, for the student community. These workshops were aimed towards bridging the gap between industry and academia, and focused on providing basic design understanding to students and to improve their design thought process.

SIAM members continuously engaged with most of the design institutes in the country to understand their curriculum, review students' portfolios, share knowledge with students and exchange ideas with faculty members related to Transportation Design domain.

SIAM organised the 11th edition of the Styling & Design Conclave and 9th edition of the Automotive Design Challenge (ADC) on 17th & 18th February 2017 in Goa.



Mr Anil Saini, Chairman, SIAM Styling & Design Group, addressing the audience in the conclave



(L-R) Mr Anil Saini, Chairman and Mr Saurabh Singh, Co-Chairman of the Group, awarding the first prize in ADC 2016 to Mr Swapnil Desai (right) of the National Institute of Design (NID)

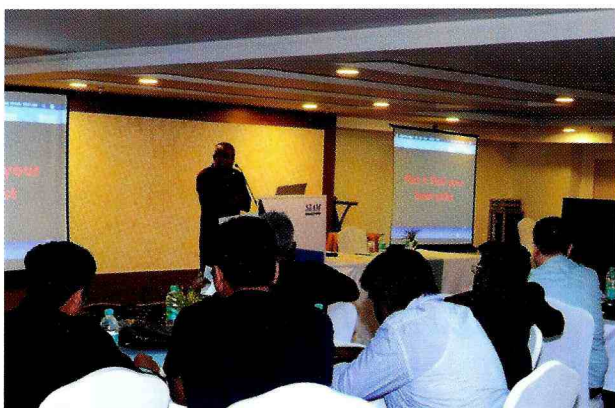
The theme for the conclave was 'Design for a Tech-Enabled Tomorrow'.

The final round of the Automotive Design Challenge 2016 was also held on the same day and the top three awards were won by students of the National Institute of Design (NID).

Automotive Design Workshops

SIAM Styling & Design Group also conducted a few Design Workshops in different locations, in coordination with regional vehicle manufacturers, to create design awareness and thinking amongst the student community and to promote design as an alternate curriculum, which was appreciated by design schools.

During the conclave in February 2017, two workshops were organized for Design Professionals as well in order to hone their skill sets.



Mr Soumitri Vardarajan, Deputy Dean – RMIT University, Melbourne, addressing the participants in the workshop

For the current financial year, the Group plans to initiate a few short-term courses or master classes for middle- and junior-level design professionals already employed in the automobile industry.

Fleet Modernisation

Over the years, SIAM has actively promoted scrapping and recycling of vehicles more than 10-15 years old. In consultation with Ministry of Road Transport & Highways (MoRT&H) and other Government departments, SIAM worked out modalities for the proposed policy on vehicle scrapping, also known as Voluntary-Vehicle Fleet Modernisation Programme (V-VMP).



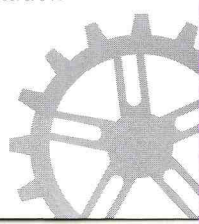
As per the proposal, Medium and Heavy Commercial Vehicles (M&HCVs) would be first considered for scrapping since they contribute the maximum towards vehicular pollution in the country.

The automobile industry supports this policy since it would have several benefits to the society, such as reduction in pollution, accidents, vehicle breakdown, etc. and would also result in technologically advanced vehicles replacing old ones.

Mahindra Intertrade and MSTC (Metal Scrap Trading Corporation) also formed a joint venture for vehicle scrapping business and to set-up scrap yards, with the first one in Delhi-NCR, India's biggest auto market.

Outbound Logistics

SIAM works towards improving efficiencies in finished vehicle logistics across various modes of transportation. SIAM coordinated with the Ministry of Road Transport & Highways, Ministry of Railways and Ministry of Shipping throughout the year on several issues, with an objective to not only promote alternate modes of transportation





Members during the SIAM Logistics Group meeting at New Delhi

for finished vehicles, such as the railways, coastal shipping and inland waterways, but also to increase efficiencies in the entire system. Most of finished vehicle transportation from plant to dealer still uses roads, though the use of Railways has picked up fast. On certain routes, vehicle manufacturers have shown interest in exploring coastal shipping as well.

SIAM had multiple interactions with senior officials of the Railway Board on ways to make the Automotive Freight Train Operator (AFTO) policy more user-friendly and attractive for investments by private logistics players. There are at present 9 rakes licensed under the AFTO policy. SIAM anticipated that there was a potential to increase this to 30, if there is sufficient policy support by the Government, which would increase the share of Railways in overall finished vehicle transportation. Indian Railways, at the instance of SIAM, decided to induct more NMG rakes.

SIAM also engaged with the Railway Board on the design of five additional NMG rakes to be inducted.

Vehicle manufacturers have suggested modifications to the existing design of NMG rakes to make them suitable to carry different types of vehicles. Suggestions have also been made for rakes specifically designed for carrying Two Wheelers in a double-deck format.

SIAM also shared all the challenges with the Railway Board in using NMG rakes, such as unavailability of railway sidings, absence of loading/unloading ramps, poor transit-time reliability due to uncertainty in rake



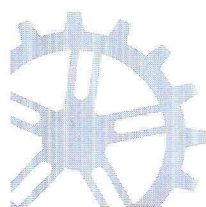
BCACBM rake used for vehicle transportation

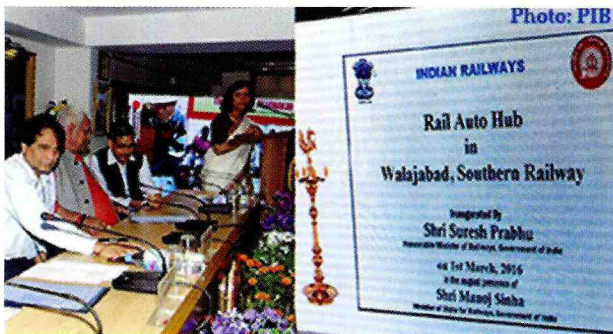
placement, etc. Railway officials have assured that suitable measures would be taken to improve efficiency in using NMG rakes.



Meeting with the officials of the Railway Board at New Delhi to discuss the RoRo Wagon design

The topic of Auto Hubs was also discussed. SIAM suggested a list of locations for setting-up auto hubs in the country. Vehicle manufacturers have said auto hubs should have basic facilities, such as sufficient land for storage of vehicles, loading/unloading facilities for





Hon'ble Minister of Railways, Shri Suresh Prabhu, inaugurating the Rail Auto Hub at Walajabad

vehicles, dedicated parking for vehicles, lighting, paved land, container stuffing facilities, security, dedicated area for pre-delivery inspection, etc.

During the last few years, the Ministry of Shipping had been promoting the usage of coastal shipping for transportation of various goods, in view of India's huge 7,000-km coastline. This would help decongest national and state highways, making them safer for passenger vehicles and reducing vehicular pollution.

The Hon'ble Minister of Shipping, Shri Nitin Gadkari, held a round table discussion with all stakeholders to iron out glitches in the usage of coastal shipping and its interface with road transportation through trucks and the usage of RoRo vessels. Many Issues have been successfully resolved.



Meeting with Hon'ble Minister of Shipping, Shri Nitin Gadkari, to promote transportation of vehicles using coastal shipping, New Delhi

Vehicle manufacturers have responded proactively to the Government initiative by exploring coastal shipping and sending shipments from the western region to south and vice-versa, either using RoRo vessels or through containers.

The Ministry of Shipping has stressed on the use of inland waterways as well, with an aim to utilise the

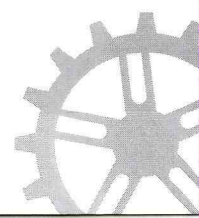
vast river bodies of the country for transport. In August 2016, Maruti Suzuki did a successful trial by sending 24 vehicles through a RoRo inland vessel from Varanasi to Haldia river port through National Waterway -1 on the river Ganges.

The automobile industry feels that inland waterways require policy and infrastructure support from the Government to make them a competitive and long-term option for vehicle transportation. SIAM plans to take this forward with the Inland Waterways Authority of India (IWAI) in coming days and discuss challenges associated with this mode of transportation.

A need was felt by SIAM Logistics Group members to study international practices in multi-modal Yard Management logistics for finished vehicles. A delegation visited several finished vehicle yards in the US to understand the practices being followed in yard management. The delegation visited a variety of stock yards with incoming by road and dispatch by train, incoming by road and export by ship, incoming by ship and dispatch by rail/road. The delegation also saw loading of rail wagons with three tiers directly from the production plant.



SIAM Logistics group delegation to the USA



Strategic Sourcing

SIAM looks after matters related to procurement of raw material and components. In the last one year, SIAM has worked on many issues, including those related to steel. The domestic steel industry has strongly presented its case to the Government of India and demanded protection in the form of various duties, such as antidumping, safeguard and minimum import price (MIP), in order to curb imports of cheap steel. It was observed that imports had become a major threat for domestic steel producers, and dumping of low quality steel, which is not used by the automotive industry, was taking place.

The automotive industry, though a major customer of steel, imports only a few special grades of steel that are not produced by local mills. The imports are at a much higher price and do not injure domestic steel mills. A majority of steel purchase is still taking place from the domestic market. Over the years, the automotive industry has localized most of the steel grades required in vehicle production, and the import content of steel in vehicles has declined significantly.



Steel Coils used as a raw material for vehicle production

SIAM worked extensively on antidumping duty on HR and CR steel-related matters and met officials at the Ministry of Steel, Ministry of Heavy Industries and Public Enterprises, Department of Industrial Policy and Promotion, Directorate General of Anti Dumping, etc. to present the case of the automotive industry.

In view of the submissions made, the Government announced provisional antidumping duty on HR and CR Steel, followed by a final order in April 2017 that imposed antidumping duty only on imports below a specified price. Since automobile manufacturers



Members during the SIAM Sourcing Group meeting at New Delhi

import special grades of steel at much higher prices than the notified prices, the industry was not impacted.

Likewise, the Directorate General of Safeguards, Ministry of Finance, also imposed safeguard duty on imports of HR steel for a period of two-and-a-half years on imports at lower prices, but again, the automobile industry was not impacted.

In order to enhance the quality standards of products being imported, BIS last year introduced a mandatory Quality Control Order on Steel and Stainless Steel products. SIAM had regular interactions with the technical team of BIS and Ministry of Steel to compare the mechanical and chemical properties of Indian and respective International standards to ascertain the steel grades to be considered for exemption, which could be taken up on a case-to-case basis. A mechanism has since been introduced for fast disposal of cases where imports do not fall under the BIS standards under the mandatory marking order.

Galvanised Steel is a major raw material used by the automobile industry. Properties of the galvanised steel are largely dependent on several parameters that need to be controlled closely during the coating process to achieve the desired properties. Ministry of Steel has funded setting up of a pilot plant for galvanised steel. The plant would help adjust various production process parameters and results obtained. This would help finalise production process parameters to achieve the desired properties of the finished galvanised steel sheets that are used by the auto industry.

SIAM was a part of the Empowered Board of the project and provided inputs to the team engaged in setting up



SIAM Sourcing Group members discussing the findings of the study with PricewaterhouseCoopers (PwC) team at New Delhi

the machine. The pilot plant has been installed at the National Metallurgical Laboratory, Jamshedpur.

SIAM is also a member of the Inter-Ministerial Committee (IMC) on mandatory BIS marking of pneumatic tyres and tubes by the Directorate General of Foreign Trade (DGFT). IMC reviews the list of tyres not produced domestically that are notified for import for after sales service by OEMs and their authorised dealers, without BIS marking. This list of tyre sizes is, thereafter, notified by the DIPP. The current list has 706 tyre sizes exempted from BIS marking. ATMA has requested a review of the list to delete tyre sizes that are now being manufactured domestically. This list is presently under review by SIAM members.

SIAM's Sourcing Group organised a study on Global Automotive Sourcing Best Practices, of countries such as the USA, Germany, Japan and Korea. PricewaterhouseCoopers (PwC) did the study and presented the findings to the SIAM Group.

Human Capital Initiatives

SIAM works on various issues related to HR, IR, Labour, Benchmarking, Compensation & Benefits etc, and also extends support to ASDC through the Human Capital Group.

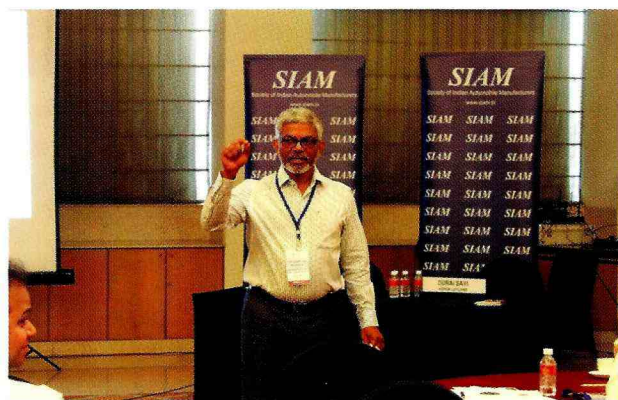
The Group organised one-day workshops in Gurgaon and Pune on 'HR Capability Building' for ACMA members. The workshops focussed on basic HR processes and programmes including Recruitment, Performance Management, Learning & Development,



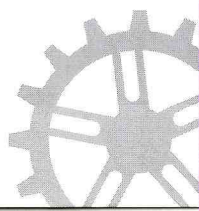
Members during the SIAM Human Capital Group meeting at New Delhi

Compensation, HR Capability and Onboarding. Practicing HR officials from OEMs brought their knowledge and experience to the programme.

The Group has planned a series of such workshops in Bangalore and Kolkata also. Similar workshops focusing on basic IR related topics and Labour Law Compliance are also being planned.



Mr Durai Sayi, Vice-President (Human Resources) - Ashok Leyland, taking a session in the HR Capability Building Workshop at Gurgaon





HR Capability Building Workshop at Pune

SIAM Human Capital Group has decided that an award for best practices should be initiated for FADA members. It was suggested that an aspirational process be set up to influence FADA to promote good HR practices. The main objective of the awards is to rope in smaller organizations and get them HR and IR oriented.

SIAM regularly interacts with the Automotive Skills Development Council (ASDC) to look into their activities and also guides ASDC on overall policy directions.

SIAM has also instituted an annual Compensation and Benefit Survey, conducted by Aon Hewitt within SIAM member companies. Aon Hewitt has been conducting the survey for SIAM since 2008. The survey seeks to include all SIAM members to provide a comprehensive perspective in the rewards domain in the Auto OEM industry, and typically covers compensation for 11 functions across 12 hierarchical levels, predefined by Aon Hewitt for SIAM.

SIAM members have also established a common uniform process for sharing and benchmarking data and feedback. In the past one year, members have shared data on various policies, which helped them create new policies and upgrade existing ones.

Initiative On Corporate Social Responsibility

SIAM has started a Corporate Social Responsibility Group, which met a few times during the last one year to discuss the current set of activities being done by vehicle manufacturers in the country, and to deliberate

on initiatives that could be taken up during the coming year. This Group is represented by the CSR and Corporate Affairs Heads of SIAM member companies.

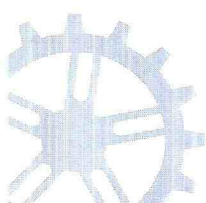
A few of the areas identified for focus includes adopting a village to convert it into a model village, with active participation from member companies. Key areas for a model village are - Toilets, Drinking Water, School, Skill Development, Community involvement through NGOs, Roads, Sewage, Tree plantation, Health Clinics, Transport (e-rickshaws), Solar Street Lights/Solar Pumps/Solar Powered Water Purification and Sewage Systems.

It was decided that for the first attempt, one village will be selected in one of the adjoining states of Delhi-NCR i.e., Uttar Pradesh, Haryana and Rajasthan. Members will select one or two of the above mentioned works and provide the funding, while the overall project will be taken up under the aegis of SIAM.

Another initiative of the Group is to develop technologies and methods to eliminate manual scavenging. It has been advised to meet and discuss the possibilities with Mr Bezwada Wilson of Safai Karamchari Andolan for implementing this work.

After successfully conducting the first conclave in November 2016, the Group will now focus on preparing a roadmap for organising its second edition in November 2017.

With an aim to promote CSR activities among member companies, it was decided that a WALL will be created





Members during the SIAM CSR Group meeting at New Delhi

to display a collage of pictures of members' CSR activities during Auto Expo-The Motor Show, 2018.

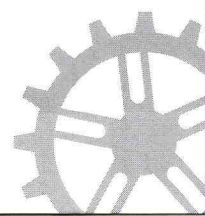
Underlining its commitment to the nation, SIAM inaugurated the first-ever CSR conclave in New Delhi. Aptly themed 'Building the Nation, Responsibly', the conclave held sessions on Environmental Rejuvenation, Health & Sanitation and Skill Development & Road Safety. Inaugurated by Mr Girish Shankar, Secretary, Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, the conclave was attended by all key SIAM members, coming together to ensure inclusive social development while protecting the environment and ecology.

Delivering his welcome address, Mr Kenichi Ayukawa, Managing Director & CEO, Maruti Suzuki India, said, "Automobile industry is contributing 7.1 % to the GDP in India. Around 32 million people are involved directly or indirectly in this industry. Total investment by the industry has been to the tune of 35 billion USD. Our vision is that over the next decade the Indian automobile sector must contribute in excess of 12% of the country's GDP, creating nearly 65 million additional jobs by 2026."

Putting the theme of the event in perspective, Mr Naveen Soni, Chairman, SIAM-CSR Group, encapsulated the CSR activities done by the industry. He mentioned that the companies are working



Launching of the CSR Compendium at the SIAM CSR Conclave, New Delhi



selflessly on road safety, environmental rejuvenation, education and skill development. He also emphasized the importance of the automobile industry to the society.

The day-long SIAM CSR Conclave 2016 saw participation from key automobile manufacturers, representatives of various government departments, NGOs and other stakeholders.



SIAM CSR Conclave at New Delhi

Some of the key speakers who addressed the gathering were Mr Girish Shankar, Secretary, Department of Heavy Industry, Govt. of India; Mr Ashoke Joshi, IAS, former Secretary to Govt. of India & Chairman, Srinivasan Services Trust; Mr Vikram S Kirloskar, Past President, SIAM & Vice-Chairman, Toyota Kirloskar Motor; Mr Kenichi Ayukawa, Managing Director & CEO, Maruti Suzuki India.

Trade Fairs

1st Indo-Bangla Automotive Show, February 2017

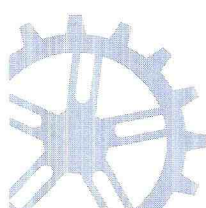
SIAM organised the first-ever Indo-Bangla Automotive Show in Dhaka from 2nd to 4th February 2017 with the support of the India-Bangladesh Chamber of Commerce and Industry (IBCCI), the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Bangladesh Automobile Assemblers' & Manufacturers' Association (BAAMA), and Bangladesh Motorcycle Assemblers & Manufacturers' Association (BMAMA).

The show was inaugurated by Mr Obaidul Quader, Hon'ble Minister of Road Transport & Bridges, Government of the People's Republic of Bangladesh, in presence of many leaders from the automobile industries of both the countries. The event was also attended by senior government officials, bureaucrats and key decision makers, including Mr Md. Mosharraf Hossain Bhuiyan, Senior Secretary, Ministry of Industries, Government of the People's Republic of Bangladesh, and H.E. Mr Harsh Vardhan Shringla, High Commissioner of India to Bangladesh.

During the event, SIAM signed MoUs with two premier auto associations of the country, Bangladesh Automobile Assemblers & Manufacturers Association (BAAMA) and Bangladesh Motorcycle Assemblers & Manufacturers Association (BMAMA).



Members during the SIAM Trade Fair group meeting at New Delhi





Inaugural Ceremony of the Indo - Bangla Automotive Show at Dhaka

Participating companies, such as Ashok Leyland, Bajaj Auto, Eicher Trucks and Buses, Hero MotoCorp, Honda Motorcycles, Mahindra & Mahindra, Maruti Suzuki, Runner Automobiles, SML Isuzu, Tata Motors, TVS Motors, Yamaha and their Bangladeshi partners such as ACI Motors, Bangladesh Honda, Ifad Autos, Karnaphuli, Niloy Motors, Nitol Motors, Rancon Motors, Rangs Motors, Runner Motors, TVS Auto Bangladesh, Uttara Motors, etc. showcased their latest offerings at the show. Two significant participants in the show were Automotive Skills Development Council (ASDC) & International Center for Automotive Technology (ICAT), who had set up stalls to engage with Bangladesh.

Two workshops were organised on the side-lines of the show – Development of Policy for Automotive Industry in India; and Technical Policy Development – in which experts and industry executives from India shared different aspects of their learning for the benefit of

Bangladesh in its journey to develop a robust automotive manufacturing industry. The Indo-Bangla automotive show not only showcased the strength and technological capabilities of Indian automobile manufactures, but also their willingness to work closely with the Bangladeshi Government for the country's benefit.



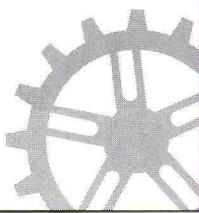
Mr Vinod K Dasari, President, SIAM and Mr Matiur Rahman, President, Bangladesh Motorcycle Assemblers & Manufacturers Association (BMAMA) signing an MOU



Inauguration of the first Indo-Bangla Automotive Show at Dhaka



MoUs being exchanged by Mr Vinod K Dasari, President, SIAM and Mr Hafizur Rahman Khan, President, Bangladesh Automobile Assemblers & Manufacturers Association (BAAMA)





Members during the SIAM Trade Fair group meeting on Auto Expo – The Motor Show at New Delhi

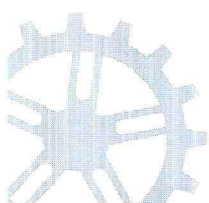
Auto Expo 2018

On February 8, 2017, SIAM announced the dates for Auto Expo - The Motor Show 2018, which will be held from February 9 to 14, 2018, at India Expo Mart, Greater Noida, Delhi NCR. SIAM continues to engage with members in the preparation for the biennial mega-show.

SIAM also plans to organise more International shows for markets such as Sri Lanka, Myanmar and South Africa, to display the strength and capabilities of Indian vehicle manufacturers to the world.



Members during the SIAM Trade Fair group meeting on Auto Expo – The Motor Show at New Delhi





Glimpses of the first Indo-Bangla Automotive Show, Dhaka



TECHNICAL AFFAIRS



Members at the 43rd SIAM Emissions & Conservation Group Meeting at New Delhi

Environment and Air Quality

Environment

SIAM has been conscious and committed towards pollution control and protection of the environment. The environment is multifaceted, multi-sectoral and its protection entails involvement of multiple stakeholders.

The commitment of the automotive sector can be gauged from its readiness in accepting the stricter emission standards and leapfrogging to BS VI by 2020, almost four years ahead of the original schedule. In addition, SIAM participated in and provided inputs for the transformational policy change of NITI Aayog for all Electric Vehicles (EVs) by 2032, aimed at reducing pollution and mitigating the impact of climate change. SIAM has been a strong advocate of technology-neutral solutions for emission control in the country.

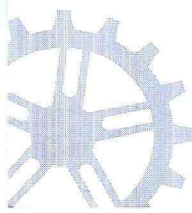
SIAM is an active member of the Environment Pollution Control Authority (EPCA) and participates in all its deliberations. The EPCA is constituted by the Ministry of Environment, Forest, and Climate Change and has the mandate to ensure compliance and enforcement of rules and regulations including environmental standards, and pollution involving vehicular emissions, in the National Capital Region. During the meetings of EPCA, issues, such as PUC system and norms, on-road emission monitoring, emission norms, ban on sale of BS III vehicles, etc. were deliberated.

The Indian Government and Judiciary are very proactive in environmental issues facing the country. The judiciary has pronounced several pathbreaking judgments on the protection of environment and ecology, many of which have bearing on the automotive sector. The court matters were followed scrupulously, with proper briefing to the counsels by SIAM, who attended court proceedings to protect interests of the automotive industry. Some of these issues included imposition of cess on diesel vehicles, ban on BS III vehicles after April 1, 2017, restriction on the age of vehicles, vehicle scrapping policy, etc.

The real challenge before SIAM and automotive industry arises when judicial pronouncements are not in consonance with existing policy, norms and regulations of the Government. This not only creates confusion and uncertainty among investors, but also imposes unfore-



Seminar on air pollution and Implementation of a graded response action plan in NCR districts in July, 2017



seen financial burden on the industry. To avoid such situations, SIAM has progressively deepened its interactions with the Government and other stakeholders.

Switchover to BS IV Emission Norms from April 2017

Over the last two-and-a-half decades, various stakeholders — be it the Judiciary, NGOs, the Government, the Industry and others — have initiated multiple steps to clean the air that we breathe. A recent study by IIT-Kanpur found that PM 2.5 emissions (that are presumed to be more harmful compared to other pollutants in ambient air) from all vehicles plying in a city is only about 20%. The major source of PM 2.5 in Delhi is road dust, which contributes about 38% of the pollution. Hence, it is not sufficient to address only vehicle emission for reducing pollution. Several measures across sectors such as controlling garbage burning, making roads dust-free, controlling industrial emissions, ending the practice of burning farm stumps, are needed to achieve real improvement in air quality. Till date only the Auto and Oil Industries have invested massive resources to produce cleaner vehicles and fuels, which have not been adequate.

From time to time, Government of India has been notifying Bharat Stage (BS) emission norms (BS I, BS II, BS III, BS IV and BS VI), and only vehicles compliant with the new regulation can be manufactured from a given date. In August 2015, the Government notified that all vehicles manufactured from April 1, 2017 would have to meet BS IV Emission norms.

However, based on petitions filed in the Hon'ble Supreme Court of India in March 2017, the Hon'ble Court directed on March 29, 2017 that no BS III compliant vehicles shall be sold after March 31, 2017.



Manufacturers were severely hit and this led to distress sale of thousands of vehicles. The sudden decision was a penalty on the Auto Industry despite meeting all regulations of the country. It is estimated that about INR 5,000 Crore worth of new vehicles still remained unsold.

BS VI Emission Norms from April 1, 2020

The Ministry of Road Transport and Highways has notified mandatory implementation of BS VI Emission norms for all vehicles to be manufactured from April 1, 2020, skipping the earlier proposed BS V Emission Norms. It is the first time in the world that a country is leapfrogging one phase of Emission Norms while reaching BS VI directly. SIAM members are committed to manufacturing BS VI compliant vehicles from April 1, 2020, as per the Notification — subject to the availability of BS VI fuel across the country.

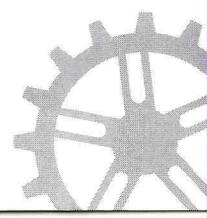
The Government of India has made Real Driving Emission (RDE) testing for BS VI vehicles mandatory. Emission limits for this will be introduced from April 1, 2023. A committee has been formed under ICAT to prepare a detail of test procedures and emission limits. ICAT has suggested that lab based off-cycle tests could also be considered to reflect vehicle emissions in real-world scenarios. SIAM members are supporting the Committee to develop the procedures for RDE.

SIAM is, at present, in discussion with the Federation of Indian Petroleum Industry (FIPI) to explore if BS VI fuel can be made available to manufacturers for testing and development purposes, as it is not commercially available in the country yet.

The Bureau of Indian Standards (BIS) is also in the process of finalising BS VI Fuel specifications both for Gasoline and Diesel. The density of BS VI Diesel and Oc-



Meeting of SIAM Sub-Group on RDE for BS VI at New Delhi





SIAM-JAMA Fuel Experts' Meeting at Mumbai in December, 2016

tane Number of Gasoline has been moderated based on Oil Companies' requirements.

SIAM members also had a meeting with experts from Japanese Automobile Manufacturers' Association (JAMA) to discuss the fuel survey undertaken by JAMA in India.

It was highlighted that the sensitive technologies of BS VI would be vulnerable to fuel impurities, hence it would be important to have close control on the auto fuel supplied in every part of the country. SIAM is considering a pilot survey of fuel quality in different parts of the country.

Notified Test agencies – viz. ICAT, ARAI and CIRT – are also in the process of finalising the test procedure for BS VI Emission norms, including the COP requirements for Two and Three-Wheelers, Four-Wheelers upto 3.5 tons and for Four-Wheelers above 3.5 tons, respectively.

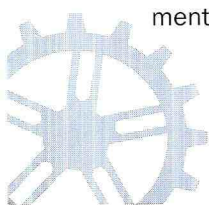
World Environment Day, 2017

Like every year, SIAM distributed educational literature and engaged in awareness building during May, in the lead up to the World Environment Day on Monday, June 5, 2017, on disciplined and responsible driving for better environmental performance of vehicles, to its all members. The annual World Environment Day (WED) on June 5 seeks to raise global awareness about the importance of protection and conservation of environment, and to address environmental issues through

informed and positive actions, as well as to educate the general public about these issues. World Environment Day was first celebrated under the aegis of the United Nations General Assembly and United Nations Environment Programme (UNEP) in 1973.

Indian Two-Wheelers' BS VI Emission Norms more aggressive than Europe

Government of India notified BS VI Emission norms for Two-Wheelers in September 2016. The Euro 5 Emission norms being finalised by the Motorcycle Working Group of the European Commission, which have been used as a reference, are scheduled to be implemented from January 2021 for all motorcycles manufactured in Europe – nine months after India adopts BS VI. Implementation of BS VI will be a pioneering step in the global Two-Wheeler industry, as all Two-Wheelers would undergo radical technological transformation. The carburettor will be a thing of the past beginning 2020,



as all two-wheelers are likely to have Electronic Fuel Injection System with closed-loop three-way catalytic converters that would be controlled through Electronic Control Units (ECU), and would have lambda sensors to accurately control combustion. Manufacturers are developing such vehicles from scratch as no known benchmarking technologies are available anywhere in the world, especially for the small engined Two-Wheelers that are so popular in our country. It is to be noted that more than 1.75 crore (17.5 million) two-wheelers were sold across the country in 2016-17, and even if the same number is sold in 2020, the magnitude of the task ahead of the industry, to augment the entire servicing and maintenance network to meet the needs of such high technology two-wheelers plying in every nook and corner of the country, is mind-boggling.

Under the leadership of Mr K N Radhakrishnan, Chairman of SIAM Two-Wheeler Council and President & CEO of TVS Motor Company, it was recognised that stringent regulation for emissions of Two-Wheelers has been notified for BS VI and manufacturers would always put their best foot forward for bringing vehicles which have minimal impact on the environment.

Chairman, Mr Harjeet Singh, Hero MotoCorp and the Co-Chairman, Mr R Narasimhan, Bajaj Auto, discussed

the details of the upcoming Euro 5 and BS VI regulations with ACEM (European Motorcycle Manufacturers Association) in Brussels in September 2016, ACEM expressed their concern on the introduction of BS VI technical requirement ahead of Europe, which is still developing the equivalent Euro 5 regulation.

SIAM members also had meetings with emission experts of Japanese Automobile Manufacturers Association (JAMA) in November 2016 at Udaipur and at New Delhi in February 2017 to discuss details of testing for on-board diagnostics and issues related to sensing of misfire and catalytic converter monitoring for BS VI vehicles.

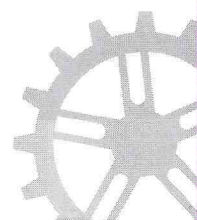
The SIAM Two-Wheeler Group would also commence discussion on idling emission norms for BS VI vehicles,

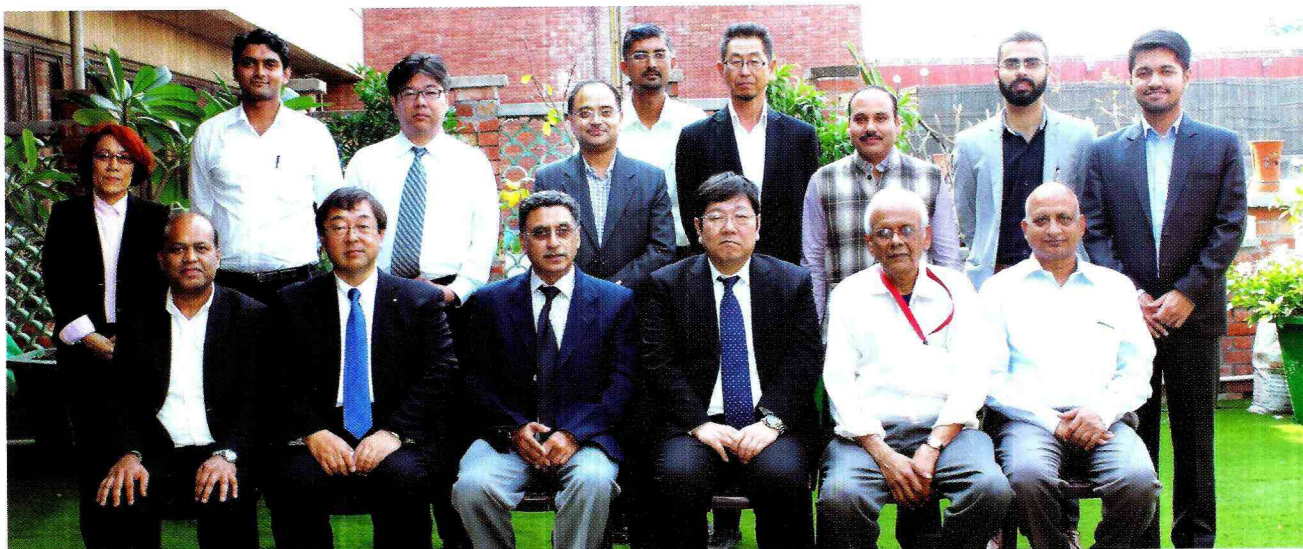


Two-Wheeler group meeting with Director, ICAT, at New Delhi



SIAM Two-Wheeler Group Members with ACEM Members during the 1st SIAM-ACEM Two-Wheeler Meeting at Brussels in September, 2016





SIAM JAMA Meeting on BS VI Emission Norms for 2-Wheelers at New Delhi

and deliberate on the Government suggestion for introducing fuel efficiency regulations for Two-Wheelers in India.

Proposed fuel efficiency regulations for heavy-duty vehicles

Petroleum Conservation Research Association (PCRA) submitted a report to Government of India for fuel efficiency regulations for heavy-duty vehicles – those with more than 12 tonnes of Gross Vehicular Weight (GVW). The report proposes to introduce model-specific fuel efficiency regulations based on GVW and axle configurations. There are separate regulations for trucks and buses. This regulation is proposed to be introduced by April 2018 for BS IV vehicles only, in the first phase. The fuel efficiency test for the vehicles would be done at a constant speed of 40 kilometers per hour and again at 60 kilometers per hour, and the vehicle must meet the efficiency standards under both the test speeds.

PCRA also held details discussion with ARAI for formulating the regulation. A team of senior SIAM members also met Hon'ble Minister of Petroleum and Natural Gas, Shri Dharmendra Pradhan, in October 2016, with request to consider a corporate average concept rather than model-specific regulation. SIAM has maintained that it would be more appropriate to adopt a simulation-based regulation that takes into consideration various parameters which affect the fuel efficiency of

a vehicle while it is under operation, such as engine, transmission, aerodynamic drag, tyres, etc.

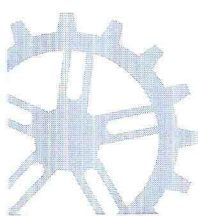
It is expected that Government of India would soon announce its final decision on the subject.

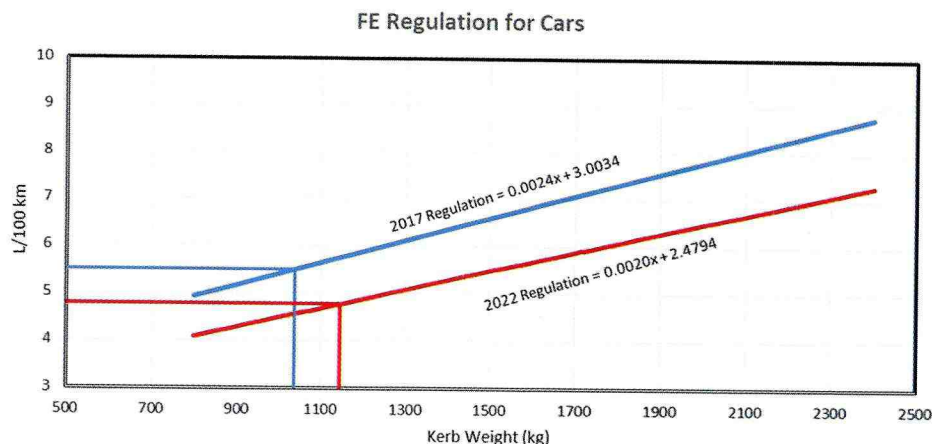
Fuel consumption regulation for cars

The first phase of fuel efficiency regulations for cars came into force on April 1, 2017. The regulation is based on the corporate average fuel efficiency, wherein the average weight of all the cars manufactured for sale in India, in a given year, will determine the corresponding fuel consumption target. For example: From the year 2017, if the average weight of all the cars produced by a company is 1,037 kgs then the average fuel consumption should be 5.49 L/100 km (18.21 km/l). From the year 2022, the regulation becomes further stringent, and at 1,145 kgs the company has to meet a target of 4.77 L/100 km (20.96 km/l).

The implementation of the regulation will be monitored and reported by International Centre for Automotive Technology (ICAT) and the detailed administrative procedure for this is being finalised by the Ministry of Road Transport and Highways in discussion with the Ministry of Power.

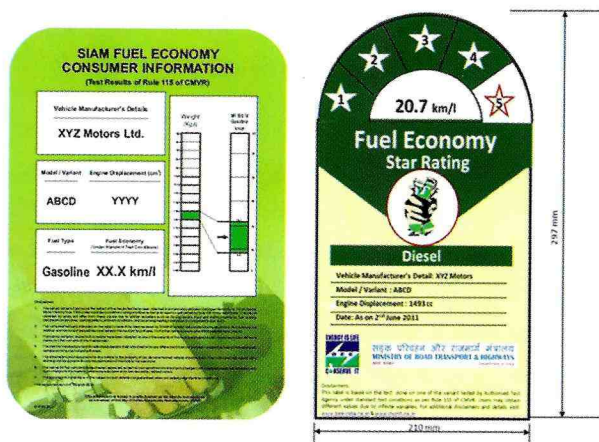
The Bureau of Energy Efficiency (BEE), under Ministry of Power, has also finalised the details of the "Star Labelling" system for Cars, which is likely to be introduced soon. Cars would be required to put a Star





Label ranging from 1-Star to 5-Star depending upon fuel consumption performance. Higher the Stars, better the performance.

The objective of the Star Labelling scheme is to keep the consumer aware of the fuel consumption performance before a decision is made to purchase the vehicle. With the introduction of the BEE label, SIAM's voluntary label scheme at the Point of Sale, introduced in 2009, will be withdrawn.



Various applications filed in NGT Principal Bench regarding vehicular pollution

The Principal Bench of National Green Tribunal, New Delhi has been hearing all the pleas concerning air pollution in Delhi in the case of Vardhaman Kaushik Case versus Union of India and others. In the two years since the filing of this case, the Bench has realised that number of factors affect the air pollution in Delhi, namely, construction activity and carriage of construction material, burning of municipal solid waste (MSW) and other waste, burning

of agriculture residue, vehicular pollution, road-dust, industrial and power plant emissions including fly-ash, and emissions from hot-mix plants and stone crushers. NGT has issued directions to reduce air pollution from all these sources, and has banned all vehicles diesel or petrol older than 15 years.

The Tribunal further ordered that diesel vehicles more than 10 years of age shall also not ply on the roads of NCT of Delhi. Department of Heavy Industries (DHI) challenged this order on the grounds that the lifespan of a vehicle cannot be a criteria for deciding when a vehicle should be phased out, and that the fitness of the vehicle and implementation of a fitness regime are what need to be tightened. This order has not yet been pronounced.

Alternate fuels

India's energy policy priorities reflect the need to move towards more sustainable sources of energy while also ensuring energy security. The country is heavily dependent on international markets to meet its crude oil demand. Currently, India meets 84.5% of its crude oil demand through imports, which leaves it vulnerable to global price fluctuations. In order to achieve the twin objectives of energy security and sustainable energy, there has been increased focus on alternate fuels. Since these fuels are produced from renewable sources, their usage has the potential to reduce vehicular emissions while also ensuring significant foreign exchange savings, besides revitalising the agrarian rural economy. Biofuels, methanol, DME, fuel cells and battery-powered electric vehicles are the focus in all government schemes launched for promoting alter-

nate fuels. The first three are discussed under the EnC Group and the latter two come under the purview of the Frontier Technology Group of SIAM.

Ministry of Petroleum and Natural Gas (MoPNG) has set up a working group on biofuel implementation under the chairmanship of Mr Y B Ramakrishna to leverage the developments for biofuels while methanol and DME are being discussed under group led by Dr V K Saraswat, NITI Aayog.



The working group on biofuels mainly deals with ethanol, biodiesel and bio-CNG. According to the National Policy on Biofuels (2009) an indicative target of 20% blending of biofuels was set up both for bio-diesel and bio-ethanol by 2017.

Biodiesel blending

The bio-diesel blending programme started on August 10, 2015 as a pilot in 5 cities. Within a year, it has been extended to 6 states and is sold through nearly 3,500 retail outlets in the country. This accounts for almost 0.046 MMT of biodiesel produced per year, against the 70-80 MMT of diesel consumed by the transport sector annually. SIAM has therefore recommended that 1.43% biodiesel blend be implemented across India. However, in line with the BS IV Notification 2010, all diesel vehicles are already capable of handling biodiesel blends up to 5%. Also, the Industry will produce 7% bio-diesel compatible vehicles from 2020 as per BS VI notification.

The Joint Secretary (R), MoP&NG, chaired a meeting on October 7, 2016 to discuss the issues and challenges in 100% bio-diesel retailing and asked SIAM to submit a report to the working group on bio-fuels, on the concerns of vehicle manufacturers in relation to use of bio-diesel

as transport fuel. SIAM submitted a report to the working group highlighting vehicle performance issues, engine and material compatibility issues and emission related concerns. It was also mentioned that there are fuel quality, stability and storage issues that biodiesel suppliers need to address. SIAM recommended that 1.43% of bio-diesel blend can be implemented at present, and B7 by 2020 if 5 to 6 MMT/annum of biodiesel is supplied uniformly across the country meeting IS-15607 standards. Vehicles compatible with 100% biodiesel would only be manufactured once the required supply is ensured pan-India.

Two Wheeler Related Developments

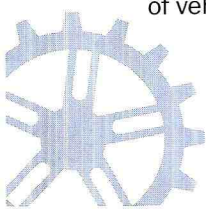
New environmental test procedures under the United Nations Framework for Two-Wheelers

As a contracting party to the 1998 Agreement on harmonisation of vehicle regulations, India has determined that addressing environmental performance requirements of two-wheeled vehicles is a key aspect for improving air quality internationally. The aim is to improve air quality by adopting the Global Technical Regulations (GTRs) that are being laid down by the Working Group on Environmental and Propulsion Performance Requirements (EPPR) for Two-Wheelers, operating under the UNECE framework.

The group has developed GTRs for Crankcase and Evaporative Emissions, along with functional aspects of On-Board Diagnostics (OBD) systems. The Indian Government and the industry have been active participants in the development of these standards, and many of these new procedures are likely to be adopted in the country.

The group will also assess and develop propulsion unit performance requirements for conventional vehicles as well as for advanced concepts such as electric and hybrid electric powertrains.

The EPPR group is presently working on the revision and standardisation of Type 1 (Mass Emissions), Type 2 (Idling Emissions) and Type VII (CO₂ and fuel consumption) tests under the existing GTR number 2. This will be followed by development of OBD2 standard for motorcycles. The year 2020 is likely to mark the commencement of adoption of all Global Technical Regulations related to Two-Wheelers.





Delegates of the 17th EPPR Working Group Meeting at Harley-Davidson, Milwaukee



The Indian delegation at the 20th EPPR working group meeting at UNECE, Geneva

New helmet designs for India

The Ministry of Road Transport & Highways had taken up an ambitious target of halving road accident fatalities by 2020. A committee was formed under the chairmanship of the Joint Secretary, Ministry of Road Transport and Highways, to come up with new helmet designs that are safer, lighter and tailored to suit Indian climatic conditions. The committee comprising experts from AIIMS, BIS, Test Agencies, SIAM and helmet manufacturers had given some draft recommendations. for reduction in helmet weight thereby promoting voluntary adoption of helmets. A concept design for a special helmet for females has also been proposed.

The final recommendation of this committee is likely to be released in due course through the Ministry of Road Transport & Highways.

New Key Safety Requirements for two-wheelers

Automatic Headlamp On / Daytime Running lamp

Government of India mandated that all two-wheelers manufactured beginning April 1, 2017 should have 'Automatic Headlight On' (AHO) or 'Daytime Running

Lamp' (DRL) features to increase their conspicuity for other road users, which will help bring down accident rates and aid four-wheeler drivers during lane-changes.



DRL will help in better visibility in low-light situations such as winter, rain and relatively dark stretches of road.



Anti-Lock Braking System / Combined Braking System

Beginning 2018, Anti-Lock Braking (ABS) system becomes mandatory for all new two-wheelers with engines over 125 cc; those below 125 cc engines must be equipped with a Combined Braking System (CBS). With ABS, the brakes do not lock up during emergency braking, allowing the rider to manoeuvre to avoid a possible collision.



Two-wheeler manufacturers are also adding features like side-reflectors and mandatory rear-view mirrors to make the two-wheeler safer. SIAM and its members encourage wearing of helmets while riding two-wheelers. The Government of India has already made the supply of a helmet mandatory with every two-wheeler sold.

6th SIAM JAMA Two-Wheeler Meeting was held on November 5, 2017 at Udaipur, in which regulatory issues were discussed including the new noise test for two-wheelers, the end of life of vehicles and motorcycle recycling system in Japan, the voluntary code on vehicle recall by SIAM Traffic Safety measures, and accident investigation by JAMA.

SIAM Two-Wheeler Group, during its quarterly meeting in 2016-17, noted that in a couple of years, India would

be on par with Europe on two-wheeler safety regulations. There are additional India-specific regulations not introduced in any other part of the world. The Group is discussing the introduction of even more safety measures for two-wheelers in India.

Conference on “The Ride to Future” and meeting of global two-wheeler CEOs

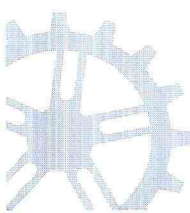
Coinciding with the General Assembly of International Motorcycle Manufacturers’ Association (IMMA) and European Motorcycle Manufacturers’ Association (ACEM), a conference on “The Ride to Future” and meeting of two-wheeler CEOs across the world was organised on April 6, 2017 at Berlin. CEOs and stakeholders recognised some of the key policy decisions that would have a long-term impact on the motorcycle industry.



SIAM-JAMA meeting at Udaipur



Members during the Two-Wheeler group meeting at Bengaluru





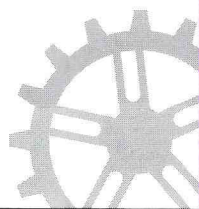
Global Two - Wheeler CEOs during the IMMA / ACEM General Assembly at Berlin

Mr K N Radhakrishnan, President & CEO, TVS Motor Company, Mr Stephan Schaller, President, BMW Motorrad; Mr Stefan Pierer, CEO and Chairman of the Executive Board, KTM; Mr Claudio Domenicali, CEO, Ducati; Mr Nick Bloor, CEO, Triumph Motorcycles; Mr Tetsuo

Suzuki, Operating Officer-Board Member, Honda; Mr Michele Colaninno, Member of the Board of Directors – Piaggio and senior management officials from Yamaha, Kawasaki, Suzuki, Polaris, Harley-Davidson, BRP and Peugeot participated in the deliberations.



Mr K N Radhakrishnan, President and CEO, TVS Motor Company and Chairman SIAM Two-Wheeler Council with Mr Stephan Schaller, President IMMA and President BMW Motorrad along with Two-Wheeler experts from Asia and Europe.



Institutional stakeholders from WHO, the UN Special Envoy, FIA, WP.29, participated in the conference and endorsed the benefits that motorcycling mobility provides to society, while voicing safety concerns. South-East Asian countries gave a perspective of sustainable mobility that included the possible challenges for motorcycling, given rapidly developing public transport infrastructure, and suggested a future in which two-wheelers complement public transport as a feeding system. It was recognised that Electric Mobility for two-wheelers is likely to gain lot of significance in the near future.

The CEOs recognised the need for a common long-term sustainability agenda. Members strongly agreed that safety of riders needs to be reinforced to ensure a sustainable motorcycling future. Some delegates emphasised that motorcycling is a key means for mobility today and the future, and needs a more proactive industry voice. The adverse impact of new technology and safety requirements on affordability, and the new challenges these pose for the industry, was also highlighted. The aggressive growth of the electric assisted bicycles, leading to additional or stricter motorcycle regulations, also need to be addressed.

Two-Wheeler CEOs voiced concerns about unexpected regulatory developments in emerging markets, such as India (for BS VI) and Brazil (CO2 requirements), North Africa (ABS safety legislation for 80cc vehicles).

Vehicle Safety

Advanced safety features for vehicles

The automobile sector is one of the most regulated sectors in India. The previous year saw many new regulations moving India another step closer to international harmonisation.

The Ministry of Road Transport & Highways (MoRTH) has extended anti-lock braking system (ABS) for passenger and goods vehicles below 3.5 tonnes from April 1, 2018 for new models. With this, all categories of four wheelers will be equipped with ABS.

Another major step by the government towards improving and supplementing road and vehicular safety is enhancement in safety belt warnings: a speed alert system to alert the driver in case of speeds beyond



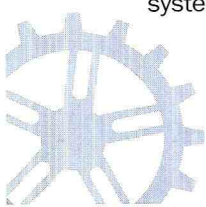
100 kmph; facilitation of occupant exit with a manual over ride in case of electric power failure in a centrally locked vehicle; reduce possibilities of accidents such as child overrun while parking in reverse gear, and making airbags mandatory, as an additional passive safety measure. These will be unique initiatives for India that have not been made mandatory elsewhere. SIAM has suggested that in addition to ultrasonic sensors, rear view camera could be permitted for use in reverse parking.

With regard to heavy vehicles, mandates have been put into place for improving turning circle clearance diameter, steering effort and manoeuvrability of trucks and buses from April 1, 2018. The Bus Body Code and Truck Body Code for improving occupant safety was expected to be implemented from January 1, 2017 and October 1, 2018, respectively.

Mandatory Speed Governors for M1 category vehicles

The government is keen on curbing road accidents caused by over speeding, which accounted for 47% of road fatalities in 2015, as per National Crime Records Bureau data. The manufacturers have already implemented speed limiters on all relevant categories of four-wheelers. Effective May 1, 2017 based on a Karnataka High Court judgement, the government has removed exemptions given to M1 category taxis. Manufacturers believe that there is a need to distinguish clearly between driving at high speed and driving rashly/recklessly, a view supported by the Bombay High Court.

SIAM has recommended the adoption of vehicle tracking technologies and speed alerts as an alternate to enhance safety. This would mitigate the problem of traffic slowdown and congestion caused by speed limitation, and also help the country make better use of



the new high-speed highway infrastructure being created by MoRTH and NHAI.

Registration of N1 category vehicles came to a standstill in the in NCT region in May for mandatory SLD/SLF fitment to limit speed at 40 kmph. Both the Delhi Government notification of 2003 and the Supreme Court Order of 1997 exempt vehicles with inter-state/national permits from fitment of SLD / SLF. However, RTOs have been insisting on installation of speed governors at set speed of 80 kmph, referring to a MoRTH notification of April, 2015. The Delhi Transport Department, however, is still following the order issued in the matter of MC Mehta case on November 20, 1997, by the Supreme Court directing a speed limit of 40 kmph for such vehicles.

Climate Control for Truck Cabins

SIAM interacted with the MoRTH on the initiative of providing greater climate comfort in truck cabins (N2 and N3 category vehicles). A SIAM delegation met with Hon'ble Minister of Road Transport & Highways, Shri Nitin Gadkari, and put forth the proposal to provide ventilation system as another option of truck cabin comfort.

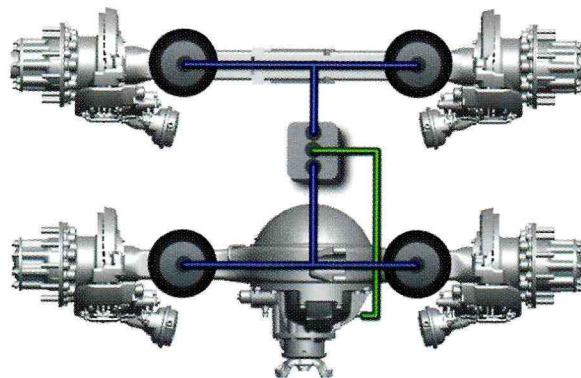


Upon the acceptance to the proposal, the Automotive Industry Standards Committee has worked on preparing a regulation for the same. The standard enables these vehicles to be equipped with Air Conditioning (AC) / Heating, Ventilation and Air Conditioning (HVAC) systems or Ventilation Systems. Drive away chassis will be provided with ventilation kits to be installed in the body building stage itself.

New Axle Load Configurations

With an aim to provide more comfortable and improved passenger travel volumes, Government has

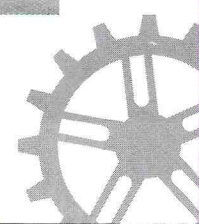
released rules for new vehicle configurations that are not at present covered in the CMVR, such as sleeper coaches, school buses, tarmac coaches and double-decker buses. SIAM is also in discussions with the government for the introduction of vestibule buses.



Motor Vehicles (Amendment) Bill, 2016

The Road Transport and Safety Bill, 2016 which was later revised and re-introduced as an amendment to the current Motor Vehicles Act, 1988, has been high on Government's agenda list. The amendment bill was passed by Lok Sabha in April, 2017. The amendment aims at reducing road fatalities by 50% in the next five years. The bill amends the Motor Vehicles Act, 1988 to address issues, such as third-party insurance, regulation of taxi aggregators and road safety. It also provides for: (i) amending the existing categories of driver licensing, (ii) Motor Vehicle Accident Fund, which would provide compulsory insurance cover to all road users in India for certain types of accidents, (iii) protection of good samaritans from any civil or criminal action, and (iv) significant increase of penalties for several offences.

The amendment empowers Government, for the first time, to order recall of a vehicle that causes harm to the environment or to the public/user of the vehicle,





Members during the SIAM CMVR, Safety & Regulations Group meeting at New Delhi

based on inputs received. The amendment directs all commercial vehicles to undergo fitness tests from automated centres set up by States, from October 1, 2019. The bill also empowers the central government to mandate fitness tests for private vehicles.

Vehicle Recycling And Waste Reduction

An increased awareness of our environment, and concerns linked to its degradation have led to many regulations around the manufacturing and disposal of products of various kinds. Currently, end-of-life vehicles (ELVs) in India usually end-up in the informal sector, such as the scrap yards at Mayapuri in New Delhi, or Pudhupet in Chennai.

The government is working on a proposed legislation to make it mandatory for automakers and their agents to buy old and non-roadworthy vehicles and recycle

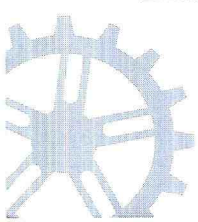
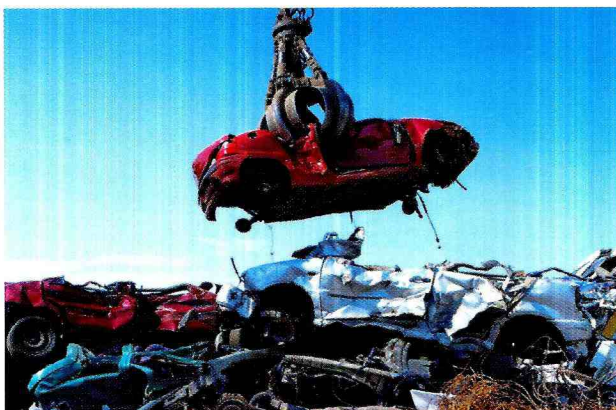
them. It has been suggested by the Central Pollution Control Board (CPCB), GIZ and the NGO Chintan that the producers could enlist the help of dealers in this exercise.

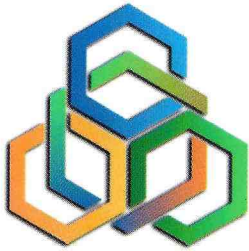
SIAM reiterates its commitment to render all possible technical support to an economically viable and environmentally responsible recycling infrastructure for handling ELVs in India. SIAM has submitted inputs and a list of recommendations to NITI Aayog with regard to metal recycling in the automotive sector.

The industry is also working closely with the Government on the commitment under the Basel, Rotterdam and Stockholm conventions.

SIAM participated as an observer at the meetings of COPs to BRS Conventions – April 24 to May 5, 2017, in Geneva, Switzerland

MoEF&CC during various meetings requested SIAM to provide a list of critical spare parts in automotive industry for which exemptions may be sought during the COP meetings, in case it becomes difficult for the ministry to justify the 10-year blanket exemption already requested by the industry. SIAM, therefore, submitted that specific exemptions may be sought for parts for use in vehicles and legacy vehicles that fall in the following categories: powertrain and under-hood applications, fuel system applications, pyrotechnical devices and applications affected by pyrotechnical devices, suspension and interior applications. This was





Meetings of the COPs to the Basel, Rotterdam and Stockholm conventions

April 24 - May 5, 2017
Geneva, Switzerland

also in-line with the ACEA position submitted on behalf of European OEMs.

MoEF&CC has informed that the desired exemptions as sought by India have been agreed.



Meeting of Conference of Parties to the BRS conventions,
from April 24 to May 5, 2017

SIAM visit to Dismantling Unit in Germany

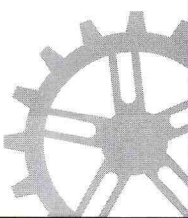
Considering the importance and relevance of vehicle scrapping in India, a study tour was organised with the help of German Automobile Manufacturers' Association (VDA) for an Indian delegation led by the Joint Secretary, Department of Heavy Industries. ACMA and SIAM representatives were part of the delegation to understand a typical functional European dismantling and scrapping unit lay out, logistics and material handling system, operational economy and



Facilities at the vehicle dismantling unit in Germany

associated compliance requirements. The dismantling unit is located near Hanover, Germany, and details can be found at <http://www.kerstingjohaenner.de>.

For sustainable dismantling of old vehicles, Government of India needs to create necessary dismantling infrastructure, roll out policy guidelines and take concomitant administrative measures to facilitate more organised and structured vehicle scrapping.



Mandatory Vehicle Recall

The industry is following a Voluntary Recall Policy since July 2012.

Ministry of Road Transport & Highways released a draft notification GSR 595(E) in June 2016 that necessitates the recall of vehicles with safety defects, with implementation from October 1, 2016. SIAM has suggested that no penalty be levied in a case where the manufacturer voluntarily declares and undertakes a safety recall, or undertakes a safety recall based on the suggestion of the nodal agency. It was proposed that recall should be applicable for vehicles that are produced on/after the date of implementation of the rule, and covers vehicles that are less than 7 years old from the date of manufacturing or import.

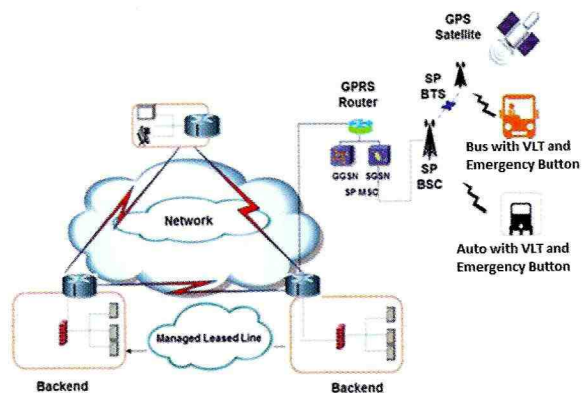
SIAM secretariat is also engaged with senior officials at Department of Heavy Industries for preparing a website for capturing vehicle recall data. The website would help vehicles owners verify whether their vehicle is under recall or not. It would also be used by ministry officials to check updates on recall initiations and number of vehicles corrected under a recall. This data would facilitate decisions on whether a particular recall campaign needs extension or may be closed before the due date.

Intelligent Transportation System

The Automotive Industry Standard – 140 on Intelligent Transport System (ITS) aims to radically improve transport safety, efficiency and convenience through the use of information and communication technologies integrating road users, road infrastructure and vehicles.

The first step taken by SIAM for creation and implementation of ITS was holding a National Workshop, “User

Indicative Architecture



Requirements for Interactive ITS Architecture”, conducted in collaboration with ASRTU in February, 2015. The workshop helped create the outline for “National Intelligent Transport System Architecture and Policy for Public Transport (Bus)”, which was submitted by ASRTU and SIAM to the government.

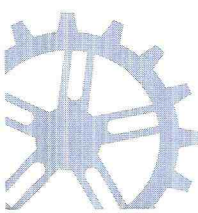
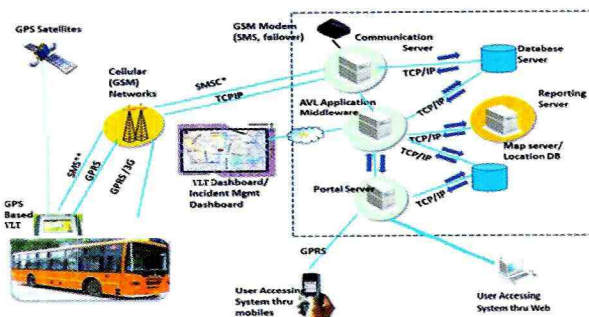
In the 44th and 45th Central Motor Vehicle Rule – Technical Standing Committee, the chairman had directed that standardisation activities be initiated on Intelligent Transportation Systems (ITS) - Vehicle Location Tracking, Camera Surveillance System and Emergency Request Button. Other ITS components such as PIS, CCTV system, fare collection, etc. were deliberated and would be addressed in later phases.

The AIS on ITS, has been provisioned for device level approval on and after April 1, 2018. Device level approval is needed to enable retro-fitment of ITS systems on in-use vehicles. This will ensure ITS Backend Control Centre infrastructure already presents with the STUs can be further utilised and make the investment in the Backend Control Centre infrastructure more viable.

FASTags for Electronic Toll Collection

FASTags are now set to replace the current Radio Frequency Identification tags that were being issued by OEMs. The draft notification for mandatory implementation of FASTags on M & N Category vehicles wef July 1, 2017 was issued.

Activated FASTags will be provided by designated banks to dealers, who will fit them on new vehicles for electronic toll collection. SIAM was requested to compile and provide a list of dealers for four-wheeler vehicles to Indian Highways Management Company





Limited (IHMCL), which would liaison with banks to ensure adequate supply of FASTag cards.

Radio Frequency de-licensing for automotive purposes

SIAM has been in talks with the Department of Telecommunications (DoT) on de-licensing of radio frequencies for automotive use. At a recent meeting, SIAM team highlighted the challenges faced by the Industry due to non-availability of requisite frequency, particularly for introduction of globally available advanced technologies in India and the manufacturing of vehicles for export purpose. SIAM requested DoT to consider the delicensing of complete frequencies for automotive radars (24 GHz and 79 GHz) and other automotive applications. A comprehensive list of radio

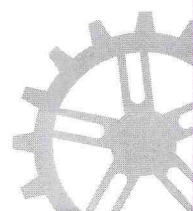
frequencies that are to be taken up for delicensing on priority basis has been submitted to DoT, and also shared with National Frequency Allocation Plan (NFAP) committee.

International Harmonization

International Harmonization Group is working on the fast changing global regulatory norms and its associated business risk. The group finalises the Industry position on regulations that are being discussed in each group of WP.29 in UNECE and for representation at OICA sub-groups. In view of international pressure on India to sign the 1958 Agreement, SIAM has conducted a study with support from IIFT to understand the impact of signing the 1958 agreement to the country's trade.



SIAM-JAMA Annual Technical Meeting at Udaipur





OICA Technical Council Meeting at New Delhi

11th SIAM-JAMA annual meeting was hosted by SIAM from November 2 to 4, 2016 in Udaipur, Rajasthan. Topics on the table included market trends, environmental regulations, FE Star labelling, safety regulations, harmonisation with international standards, electric mobility and certification procedure, both in India and Japan.

OICA Technical Council Meeting

Organisation Internationale des Constructeurs d'Automobiles (OICA) is the apex body representing the global four-wheeler manufacturers' associations. They also represent the associations before the world industry at international forums including WP.29 and are permanent invitees for providing inputs in framing the Global Technical Regulations (GTRs) and UN regulations, both under the 1998 and 1958 agreements. SIAM hosted 172nd OICA TC meeting on October 5 and 6 in New Delhi. The meeting witnessed participation from Ministry of Road Transport Highways (Government of India), VDA, NAAMSA, KAMA, JAMA, and National and International four-wheeler vehicle manufacturing companies.

IT Initiatives

AutoDX

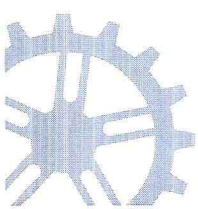
SIAM IT Group's initiative AutoDX (a collaborative ACMA-SIAM initiative) has achieved 5 Million transactions. The AutoDX contract with IBM was renewed in January, 2017 by four OEMs (Hero, Tata, Bajaj and TVS) and 41

suppliers. Four OEMs and 31 suppliers have gone live on this platform.

The AutoDX committee meets every quarter to review the status of this initiative. The 11th GC meeting was set-up on April 11, 2017 at Bengaluru. The SIAM-ACMA-IBM engagement completed 3 years and this was celebrated with Ms Vanitha Narayanan, Chairperson, IBM India Ltd.



AutoDx governing council meeting



The AutoDX team is in discussion with GSTN for connecting through EDI. IT Group had a meeting with the GSTN team, and are happy with AutoDX and its progress. They have stated that auto industry is the first one to have done so much work on the EDI space. GSTN has also invited AutoDX to be a GSP-GST Suvidha provider.

Anti-Counterfeiting

Counterfeit parts have been a major threat for long. Such parts lead to performance deterioration and can even lead to fatalities. Most such spurious parts come from unorganised setups and are difficult to trace.

Dealing with this menace is complex and challenging. Being an unorganised setup, they do not pay taxes to

Government, while at the same time impacting the organised business negatively, leading to consumer discontent and business losses for the Industry. Indian consumers are cost-sensitive and susceptible to use cheap and spurious parts. This is an alarming threat, and it will take a multi-pronged strategy to counter it.

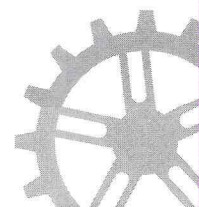


SIAM Anti-Counterfeiting group discusses and shares best anti-counterfeiting practices and plans, and the challenges faced by the industry in this endeavour.

OEMs have been taking various promotional schemes and introducing many mechanisms, such as security labels with holograms to enable consumers differentiate spurious parts from genuine ones. One of the challenges remains on reaching out to consumers and educating them on latest features and identifying the genuine parts.



Graffiti Competition by famous graffiti artists

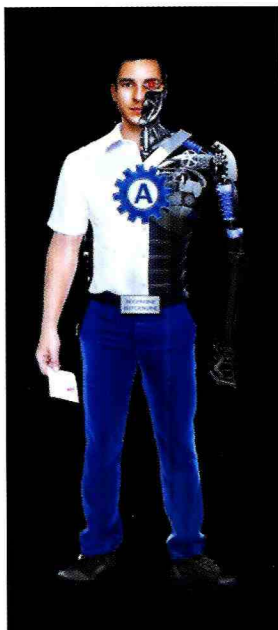
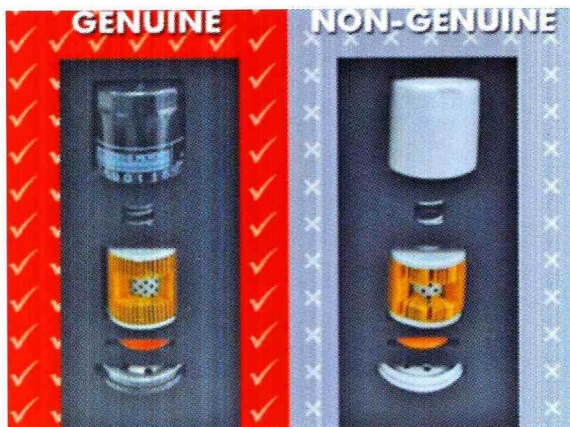


During the Auto Expo - The Motor Show 2016, SIAM unveiled a mascot, 'Asliman' for Anti-Counterfeiting campaign - "Be Genuine, By Genuine".

The Group will continue to spread awareness at appropriate public forums, including the Auto Expo.



Members during SIAM Anti-Counterfeiting group meeting at New Delhi



Asliman - The Mascot

Electric Mobility

The year gone by was an exciting one and saw electric mobility gain enormous momentum and literally become the "talk of the town".

FAME Phase-1:

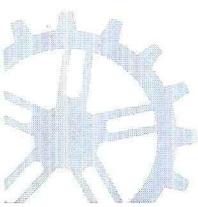
Under the National Mission on Electric Mobility (NMEM), the National Electric Mobility Mission Plan (NEMMP) 2020, was proposed to be implemented for 6 years from 2014-2020 with an investment by the Government to the tune of INR 14,000 Crore. The principal end objectives of the NMEM are national energy security, cleaner environment and growth of domestic manufacturing capabilities.

The Mission provided a market-driven approach for electrification of road transport, with support for the complete range of electrification technologies viz. Mild HEV, Strong HEV, Plug-in HEV and Pure EVs. It is envisaged that level of electrification will increase as market awareness, technology cost, supply chain, manufacturing ecosystem, charging infrastructure etc. evolve.

The Scheme FAME India was launched in April 2015 with a proposal for implementation till 2020. However, the Scheme was notified to be implemented for only 2 years, as with introductory Phase-1. Further, budgetary allocation was significantly reduced from the proposed Rs 795 Crore to Rs 200 Crore. The scheme thus could not evoke full confidence of the industry to plan large investments. However, the industry has been continuously assured of Government's long-term plan.

The two-year Scheme, despite its limited funding and duration, triggered electrification of automobiles in the country. Major manufacturers of cars and buses launched hybrid electric and pure electric vehicles.

More than 1,40,000 hybrid and electric vehicles, mostly 2-wheelers and Cars, were sold in the last 2~2.5 years under the Scheme amounting to more than 10 million litres of fuel savings and 27,000 tonnes of CO2 savings to the nation. In FY 2015-16, hybrid and electric passenger vehicles constituted approximately 1.3% of all passenger vehicle sales in India, up from essentially zero in FY 2012-13.





Members of SIAM Frontier Technology Group at New Delhi

The Industry feels that with long-term commitment to this initiative both from itself and the Government, there is a potential for growth. The slow start needs to be recognised as a stepping stone with a need to instill greater confidence, and the industry said as much in an NBEM Meeting on May 25, 2017 under the chairmanship of Secretary, DHI.

At the time of compiling this report for the period till May 31, 2017, the Phase-1 of FAME India has been extended till September 30, 2017, and the Government is working on the proposal for Phase-2.

One of the major setbacks to the industry has been the sudden omission of Mild HEV from the ambit of Demand Incentive under the Scheme for all vehicle categories. Industry had desired that Mild HEV be promoted for a certain period:

- To allow recovery on manufacturers' investments,
- To enable setting-up of manufacturing eco-system and
- To achieve self-sustenance for such technology vehicles.

It is important that we allow the effect of policies to play out over a period so that the industry gears up for product development and creates an affordable supply base. The sudden deletion of mild hybrid technology from the ambit of FAME has created an uncertain prospect for some key industry players who have invested in hybrid technologies or are still making such investments.

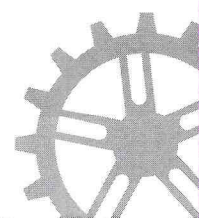
FAME Phase-2: Industry Needs

While promoting electric mobility for a sustainable future, there is a need to have a longer-term implementation of the scheme for creating a self-sustaining ecosystem. A short-term policy thrust will not result in desirable outcomes. SIAM has recommended that the scheme be made co-terminus with the overarching automotive mission plan of the country, namely AMP 2016-2026.

NEMMP 2020 provided graded incentives based on electrification technologies (based on fuel savings potential) and subsequently laid the market-driven approach for adoption of various electrification technologies. It is recommended that the same market-driven approach be followed for adoption of higher level of electrification technologies.



National Electric
Mobility Mission
Plan 2020





Members during 20th meeting of SIAM Frontier Technology Group

Further, as articulated in NEMMP 2020, the success of the Scheme will be to make this technology self-sustaining. Therefore, to bolster the momentum gained in Phase-1, the Scheme needs to be implemented for a longer term to achieve the desired targets envisaged under NEMMP 2020. It must be considered an important and strategic investment for the country.

Electrification of Public Transportation: Strategy

The FAME India Scheme provides a greater focus on electrification of public transportation. To this effect, the demand incentive for buses under the FAME India was proposed to be based on a percentage of total cost of a hybrid electric bus (the demand incentive for other vehicle segments was based on differential cost of a hybrid electric vehicle and a comparable conventional vehicle). It was also recommended that phased mandates by states could result in significant penetration of hybrid and electric buses in city fleets.

Currently, two technology configurations i.e. Mild Hybrid and Strong Hybrid are covered under the demand incentive for the bus segment under FAME India. Hybrid technology offers a lower cost of ownership, with improved fuel savings of the order of 25-30%, reduction in emissions over conventional vehicles while running in pure electric mode for around 30-35% of the total distance travelled.

Charging Infrastructure

Setting-up of chargers will have a positive impact on the adoption of electric vehicles and mitigate concerns like range anxiety. It will also be very relevant for electric vehicles fleet that run longer distances.



Public Charger for Electric Car

Recently, the Government came up with tender specifications for AC Chargers and DC Chargers (upto 100 volts). Government plan is to procure such chargers in bulk and deploy these as public utilities. SIAM has welcomed this initiative whole heartedly.

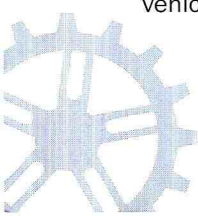
SIAM believes that large scale deployment of PMAO (Public Metered AC Outlets) will cater to the needs of 2Ws, 3Ws, 4Ws and create visibility and alleviate concerns of prospective consumers around vehicle range.

With respect to DC Chargers (upto 100 Volts), while chargers may be deployed with the proposed specifications as an immediate measure to cater to current fleet of EVs, it is important to consider evolution of specifications, such as integrated AC/DC Chargers, and also the prospect of PPP or Private investments in this area .

Change in Thinking & Way Forward

It is a welcome sign that various Ministries have come forward in support to electric mobility. However, the policy would need to be coherent and consistent to allow industry to plan investments and product development. Recent initiatives of the NITI Aayog to look at transformative mobility solutions in the form of connected-electric-shared mobility by 2032 is a welcome roadmap for the next 15 years.

Today, pure battery technologies have significant challenges around cost, performance, manufacturing eco-system, charging infrastructure, etc. Battery costs may have come down but are still too high to be affordable. Hybrids, on the other hand, are far more acceptable to consumers and solutions are already in



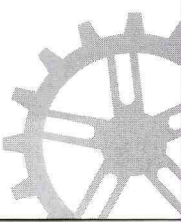
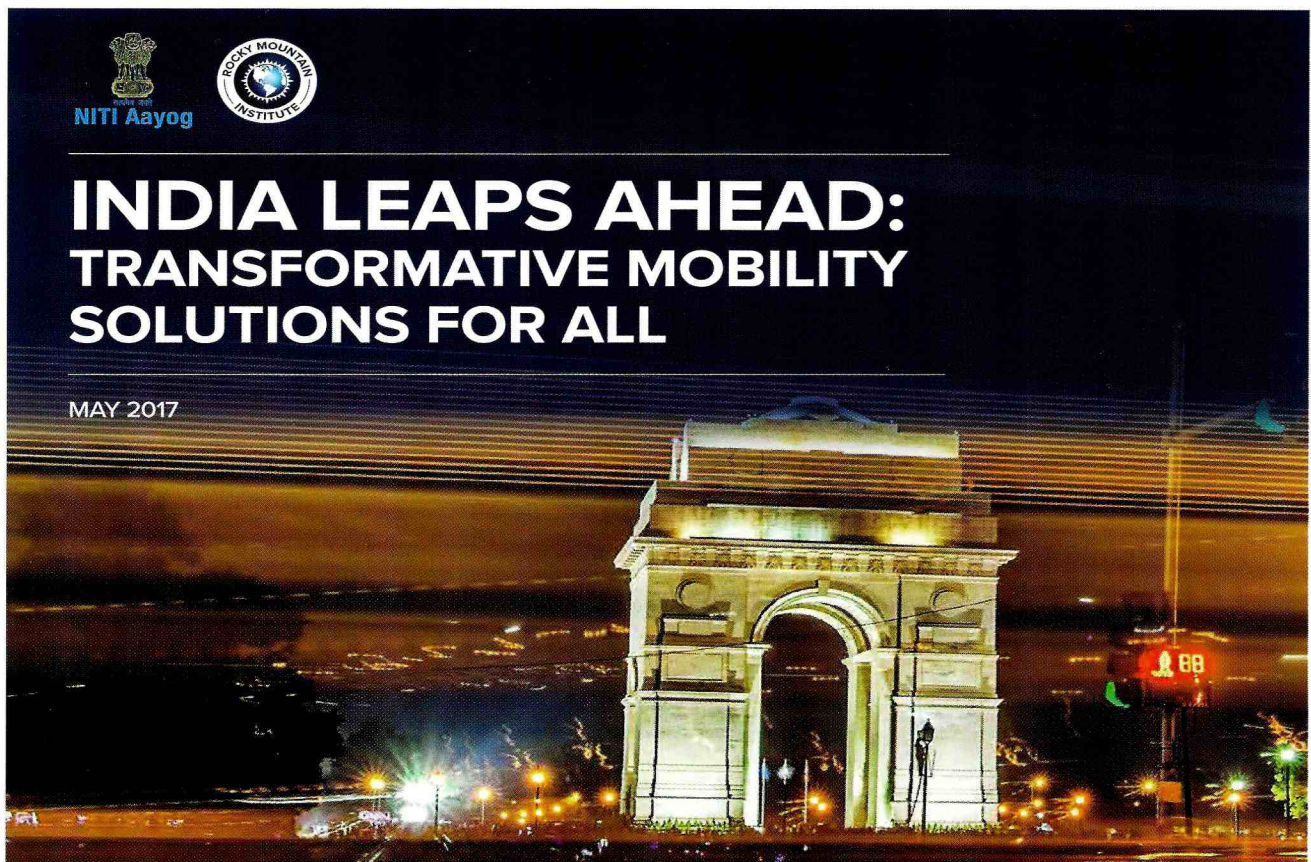
the market. Therefore, it may be more appropriate to continue the FAME Scheme while a much larger push could be given to pure electric vehicles through a new parallel scheme, for which various fiscal and non-fiscal incentives suggested in the NITI Aayog report could be considered over a suitable timeframe.

The National Institution for Transforming India or NITI Aayog, has released a report titled 'India Leaps Ahead: Transformational Mobility Solutions for All' on May 12, 2017, jointly prepared with Rocky Mountain Institute, USA. The report envisioned adopting a new and sustainable mobility model for clean, cost-effective, efficient, safe transport, while reducing the energy import bill and having minimum adverse impact on environment and human health. The objective is to achieve a shared, all electric and connected mobility across the country.

This model shift could help India save nearly INR 3.85 lakh crore (approx USD 60 billion) by 2032 in diesel and petrol cost and save one giga ton of

carbon emissions between 2017 and 2032. The recommendations of the report would form the basis of for clean and green mobility policy. The final policy document is proposed to be issued by the Government by December 2017.

Such a radical model shift in mobility proves opportunity for the automotive industry. It, however, also exposes the industry to unforeseen risks to investments already made in adoption of cleaner technology like hybrid vehicles. SIAM has advocated technology-neutral emission control regime to avoid over-dependence on one technology. In addition, radical policy shift has its own implication on the overall automotive sector, including the component sector, as industry has already made a huge investment in efficient gasoline, diesel and hybrid vehicles and there component systems. Therefore, the process of policy formulation for any sector must be technology-neutral and should not be discriminatory to all-round development and competitive sustainable growth of the sector.





Facilities at the I & C Centre, Chhindwara

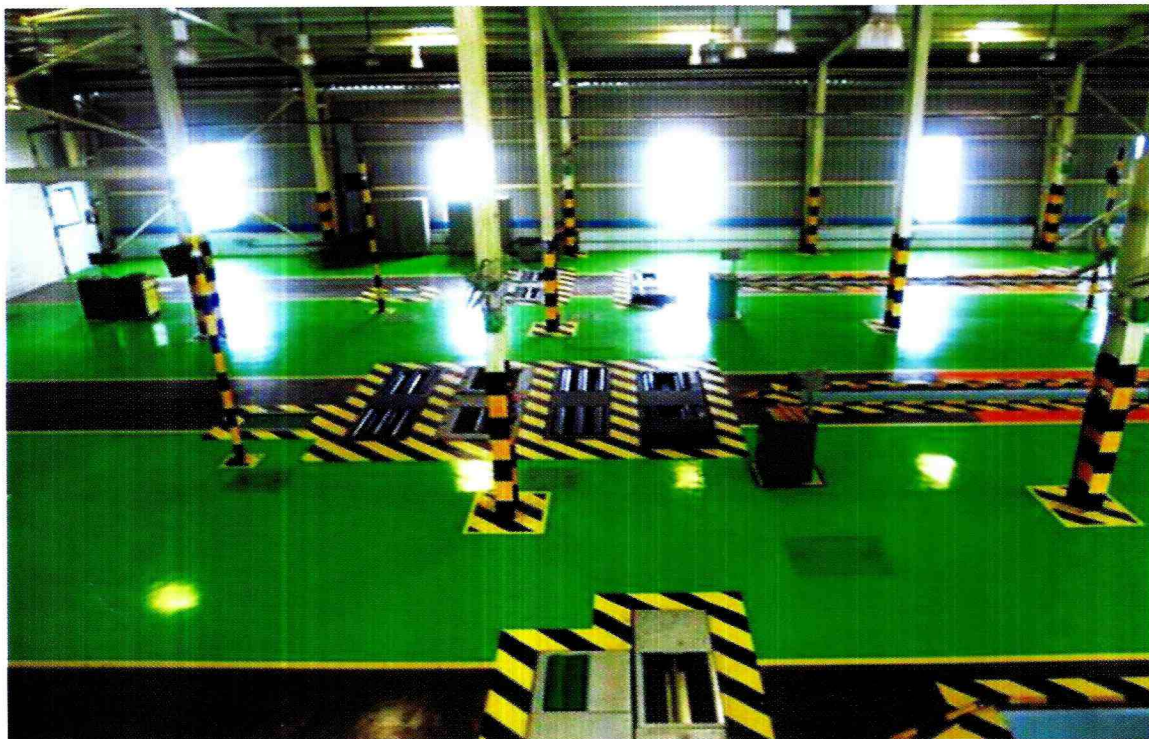
Inspection & Certification Centre At Chhindwara, Madhya Pradesh

During the year, SIAM completed the construction of the Inspection & Certification (I&C) Center at Chhindwara, in Madhya Pradesh. The center has been handed over to the Madhya Pradesh Government for operations.

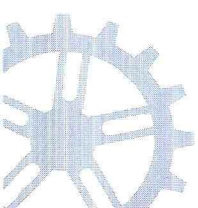
An MoU was signed on February 13, 2017 between:

1. Ministry of Road Transport & Highways, Government of India
2. Transport Department, Government of Madhya Pradesh
3. Society of Indian Automobile Manufacturers

After the MoU was signed, the Transport Department, Government of Madhya Pradesh, on May 8, 2017 has



Facilities at the I & C Centre, Chhindwara





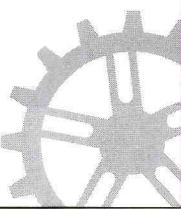
issued a letter to the operating agency to run the I & C Centre of Chhindwara. Transport Department, Government of Madhya Pradesh, is geared up to run the I & C Centre for vehicle fitness in the state.

The Center is equipped with all facilities, such as Vehicle Inspection, Repair Area, Reception, Canteen and Office facilities.



Electricity has been obtained from Madhya Pradesh Poorva Kshetra Vidyut Viteran Company Limited, diesel generator set has also been installed for backup,

The complex has rain water harvesting facility, internal street lighting and water tank. All necessary equipments have been installed by MoRT&H identified vendor.



PUBLIC POLICY



Shri Nitin Gadkari Hon'ble, Minister of Road Transport & Highways, at an interactive meeting on road safety with SIAM members during National Road Safety Week on January 10, 2017

The automobile industry has come a long way since we attained Independence 70 years ago. Today, while being one of the world's largest and most robust, the Indian Automobile Industry has been a central pillar of our nation building, engaging 3.2 crore people directly and indirectly, building world-class capabilities, instilling the spirit of innovation and ensuring inclusive, sustainable growth. A strong foundation of a "Safety Ecosystem" has been co-created with all stakeholders.

Road safety requires a nation-wide movement like what is being done to promote cleanliness through 'Swachh Bharat Abhiyaan'. Lack of cleanliness and safety on roads have much in common. They are public health concerns that place a heavy burden on society and the economy, adversely impacting the country's image.

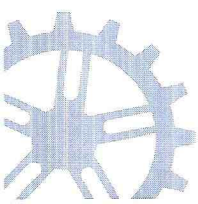
As 1.2 crore (12 million) youth join the workforce each year, we all need to build on this ecosystem to make it truly world-class, safer and environmentally responsible. The four pillars that need to be worked on are engineering, enforcement, education and emergency care. The industry looks forward to all stakeholders joining resolve and resources with us, rising above individual agendas, into working towards collective nation building.

SAFE (Society for Automotive Fitness & Environment), a SIAM initiative, tries to create awareness among wide range of users and public on road safety and environmental issues impacting our lives. SAFE has completed 18 years and has grown from a small society to one having a national presence in the area of creating awareness on Road Safety and Environmental concerns from automobiles.

In the year 2016-2017, SAFE and its members organised various initiatives in the area of road safety and environment protection, e.g. reaching out to school and college students, drivers awareness / training and health checkup camps, general awareness workshops / seminars, etc.

SAFE Annual Convention 2017: Vision towards Safer Roads: Technology, Education & Enforcement

With the objective of spreading information on road safety achievements and sharing the best practices adopted by various government and corporate stakeholders, SAFE organised its Annual Convention at Bhubaneswar on April 20, 2017 in association with Ministry of Road Transport & Highways and Transport Department, Government of Odisha.



Round table discussion on Future Norms and Safety Technologies in Vehicles

To enhance information about future norms and safety technologies in our vehicles, a fruitful roundtable discussion was organised for Transport Department officials on April 21, 2017 at Odisha.



Launch of Road Safety Compendium at SAFE annual convention on April 20, 2017 at Bhubaneswar, Odisha

Road Safety activities with Schools

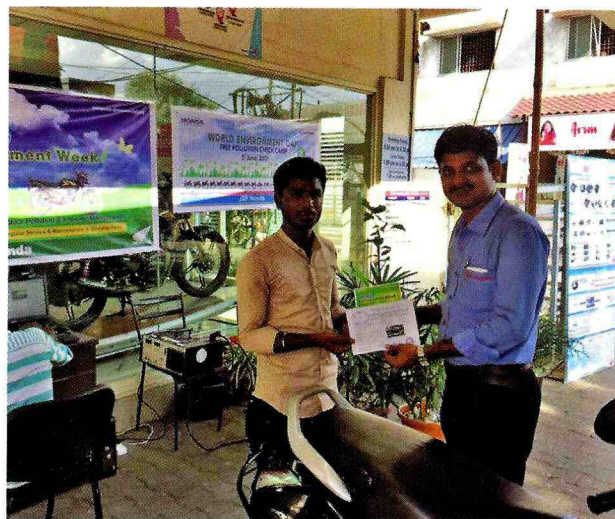
School students are the most vulnerable audience on the road and need to be educated on road safety. SIAM-SAFE full year programme stresses organising road safety workshops, activities and competitions for school students. In Delhi in 2016-2017, Road Safety Programmes reached out to more than 10 lakh (1 million) students, apart from more programmes in various other states.



Mr Amulya Patnaik, Commissioner of Police, Delhi, Addressing at the final prize distribution function of students at India Gate in February 2017

World Environment Drive - June 5, 2017

United Nation declared June 5 the World Environment Day. SIAM-SAFE with the support from members and their dealers network organised free PUC camps across the nation at more than 6,000 dealer. Dealers also organised various awareness programmes related to the environment.



Free PUC check during World Environment Day on June 5, 2017

National Road Safety Week

Ministry of Road Transport & Highways announced National Road Safety Week in the first week of January every year. In 2017, it was organised from January 9 to 15. A road safety walk was organised on January 9, flagged off by Hon'ble Minister of Road Transport & Highways, Shri Nitin Gadkari. An interaction programme with the Minister and corporate heads was also organised to disseminate information about the work done by corporates in the area of Road Safety. A Workshop on 4Es was also organised and various rounds of training programs for drivers, students and general public were organised.

Interactions with institutes, Central and State Government authorities

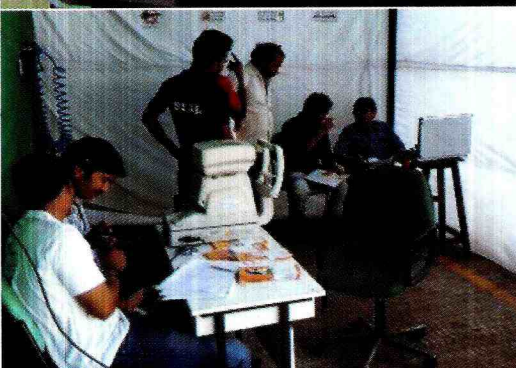
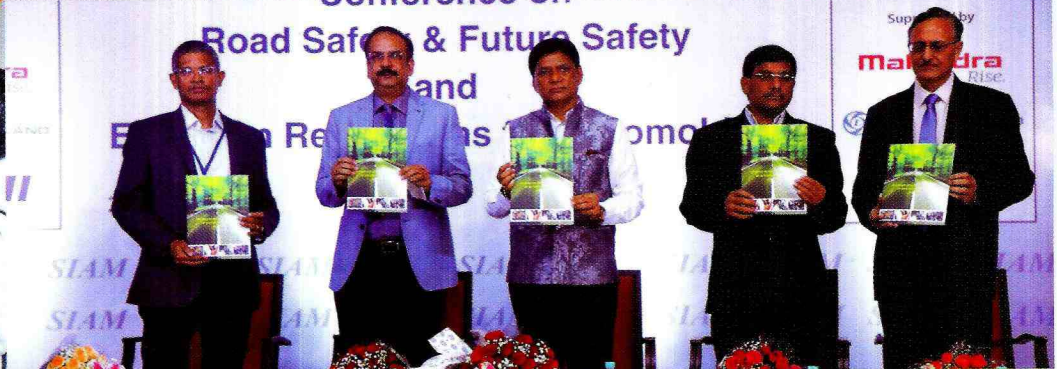
SIAM secretariat had interactions with Government bodies, international agencies working in the area of road safety and other stakeholders throughout the year, with the aim of sharing and gaining from each other's experience in implementing road safety projects in India.

Safety is a collective mission.

It is central to our lives and livelihood.

It is central to our building the nation, responsibly.

Cicero had said many years back, "The safety of the people shall be the highest law." His words still hold true.





COUNCILS & GROUPS: 2016-17

A. COUNCIL ON INTERNATIONAL BUSINESS



Chairman: Dr Pawan Goenka
Managing Director,
Mahindra & Mahindra Ltd.

1. INTERNATIONAL RELATIONS & TRADE POLICY GROUP



Chairman: Mr Ketan Doshi
Senior Vice President –
New Business Development &
EA to Managing Director,
Mahindra & Mahindra Ltd.



Co-Chairman: Mr Rahul Bharti
Vice President – Corporate Planning
& Government Affairs,
Maruti Suzuki India Ltd.

2. EXPORTS GROUP



Chairman: Mr Rakesh Sharma
President – International Business,
Bajaj Auto Ltd.

B. COUNCIL ON MARKET



Chairman: Mr P N Shah
Senior Advisor,
Mahindra & Mahindra Ltd.

1. VEHICLE CLASSIFICATION, SALES REPORTING & ANALYSIS



Chairman: Mr Jnaneswar Sen
Senior Vice President –
Sales & Marketing,
Honda Cars India Ltd.

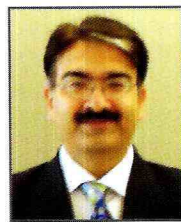


Co-Chairman: Mr R Ramakrishnan
Senior Vice President – CVBU,
Tata Motors Ltd.

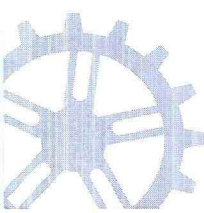
2. TRADE FAIRS GROUP



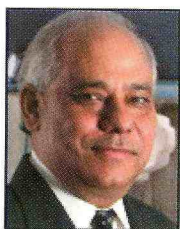
Chairman: Mr Arun Malhotra
Managing Director,
Nissan Motor India Pvt. Ltd.



Co-Chairman: Mr Sanjeev Handa
Vice President – Marketing,
Maruti Suzuki India Ltd.



3. LOGISTICS GROUP



Chairman: Mr Prem Verma
Vice President & Project Leader –
Supply Chain,
Tata Motors Ltd.



Co-Chairman: Mr V Anand
Senior General Manager –
Sales Logistics,
Hyundai Motor India Ltd.

4. CSR & COMMUNITY SERVICES GROUP



Chairman: Mr Naveen Soni
Vice President –
Government Affairs & CSR,
Toyota Kirloskar Motor Pvt. Ltd.

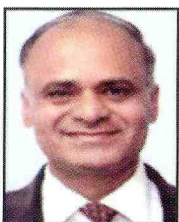


Co-Chairman: Mr Sushant Naik
National Head – Government Affairs,
Tata Motors Ltd.

5. SERVICE HEADS GROUP



Chairman: Mr Pankaj Narula
Executive Director – Service,
Maruti Suzuki India Ltd.



Co-Chairman: Mr Rajesh Mukhija
Associate Vice President &
Head – Service,
Hero MotoCorp Ltd.

6. IT GROUP

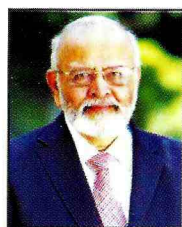


Chairman: Mr Vijay Sethi
Vice President –
Information Systems,
Hero MotoCorp Ltd.



Co-Chairman: Mr Bishwanath Ghosh
Chief Information Officer,
Mahindra & Mahindra Ltd.

C. COUNCIL ON ECONOMIC AFFAIRS



Chairman: Dr Abhay Firodia
Chairman,
Force Motors Ltd.

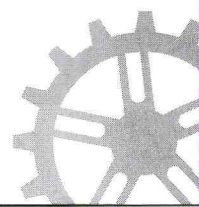
1. SOURCING GROUP



Chairman: Mr Hemant Sikka
President –
CPO, Powerol & Spares Business,
Member of the Group Executive Board
Mahindra & Mahindra Ltd.



Co-Chairman: Mr Pradeep Mishra
Vice President – Purchasing,
VE Commercial Vehicles



2. ECONOMIC RESEARCH GROUP



Chairman: Mr Narayan Swamy Raja
Senior Vice President and Director,
Toyota Kirloskar Motor Pvt. Ltd.



Co-Chairman: Mr Vikram Batra
Vice President &
Head of Corporate Strategy & Planning,
Ashok Leyland Ltd.

3. TAXATION POLICY GROUP



Chairman: Mr Shekar Viswanathan
Vice Chairman & Whole Time Director,
Toyota Kirloskar Motor Pvt. Ltd.



Co-Chairman: Mr Gopal Mahadevan
CFO & President – Finance,
Ashok Leyland

4. TAXATION PROCEDURAL GROUP

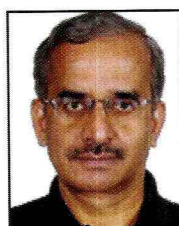


Chairman: Mr D D Goyal
Executive Vice President – Finance,
Maruti Suzuki India Ltd.



Co-Chairman: Mr Mohan Raghavan
Senior Vice President –
Excise & Service Tax,
Mahindra & Mahindra Ltd.

5. DIRECT TAX



Chairman: Mr Anantharaman T
General Manager –
Corporate Taxation & Government Affairs,
Mercedes-Benz India Pvt. Ltd.

6. FINANCE, LEASING & INSURANCE GROUP



Chairman: Mr Ajay K Seth
Chief Financial Officer,
Maruti Suzuki India Ltd.



Co-Chairman: Mr K Ramkumar
Vice President – Finance,
Ashok Leyland Ltd.

7 HUMAN CAPITAL GROUP



Chairman: Mr N V Balachander
President – Human Resources,
Communication & CSR,
Ashok Leyland Ltd.



Co-Chairman: Mr C S Raju
Vice President – HR,
Maruti Suzuki India Ltd.

8. ANTI COUNTERFEITING GROUP



Chairman: Mr Yashpal Sachar
General Manager – Parts,
Honda Motor India Pvt. Ltd.

D. TECHNICAL COUNCIL



Chairman: Mr K N Radhakrishnan
President & CEO,
TVS Motor Company Ltd.



Co-Chairman: Mr Sumit Sawhney
Country CEO & Managing Director,
Renault India Pvt. Ltd.

1. FRONTIER TECHNOLOGY GROUP, EV & HEV



Chairman: Dr Tapan Sahoo
Senior Vice President –
Engineering and R&D,
Maruti Suzuki India Ltd.

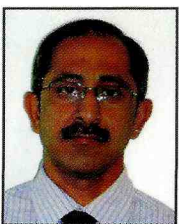


Co-Chairman: Dr S J Dhinagar
Vice President –
Advanced Engineering,
TVS Motor Company Ltd.

2. RECYCLING GROUP



Chairman: Capt. N S Mohan Ram
Advisor,
TVS Motor Company Ltd.



Co-Chairman: Mr Sanjeev Mandpe
General Manager –
Product Homologation,
Mercedes- Benz India Pvt. Ltd.

3. DIESEL IMAGE GROUP



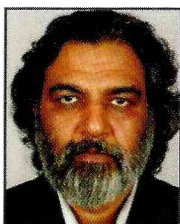
Chairman: Mr Anant J Talaulicar
Chairman & MD,
Cummins India Ltd.

4. AUTO INFOTRONICS GROUP



Chairman: Mr S Gopalakrishnan
Head – Vehicle Electronics &
Product Development,
Ashok Leyland Ltd.

5. STYLING & DESIGN GROUP



Chairman: Mr Anil Saini
Director – Design,
General Motor India Pvt. Ltd.

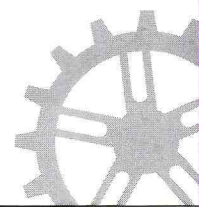


Co-Chairman: Mr Saurabh Singh
Head – Design Studio,
Maruti Suzuki India Ltd.

E. NATIONAL & INTERNATIONAL REGULATIONS COUNCIL



Chairman: Mr Rajan Wadhera
President – Automotive Sector,
Mahindra & Mahindra Ltd.



E. NATIONAL & INTERNATIONAL REGULATIONS COUNCIL



Co-Chairman: Mr I V Rao
Executive Adviser,
Maruti Suzuki India Ltd.

1. EMISSIONS & CONSERVATION GROUP



Chairman: Mr C V Raman
Senior Executive Director –
Engineering,
Maruti Suzuki India Ltd.



Co-Chairman: Dr Mathew Abraham
Senior General Manager,
Mahindra & Mahindra Ltd.

2. CMVR & SAFETY REGULATIONS GROUP



Chairman: Mr S Ravishankar
Executive Advisor –
Product Development,
Ashok Leyland Ltd.

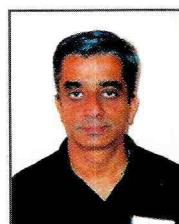


Co-Chairman: Mr Deepak Sawkar
Vice President,
Maruti Suzuki India Pvt. Ltd.

3. TWO WHEELERS GROUP



Chairman: Mr Harjeet Singh
Executive Advisor – Technical,
Hero MotoCorp Ltd.



Co-Chairman: Mr R Narasimhan
Vice President – R&D,
Bajaj Auto Ltd.

4. THREE WHEELERS GROUP



Chairman: Mr S Sane
Senior Vice President –
Engineering and R&D,
Piaggio Vehicles Pvt. Ltd.

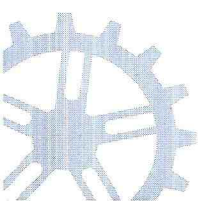


Co-Chairman: Mr Arvind Kumbhar
Senior Manager – R & D,
Bajaj Auto Ltd.

5. INTERNATIONAL HARMONIZATION GROUP



Chairman: Mr D Balakrishnan
Head – Homologation,
Ashok Leyland Ltd.



F. Commercial Vehicles CEOs Council



Chairman: Mr Ravi Pisharody
Executive Director –
Commercial Vehicles,
Tata Motors Ltd.

J. MUVS CEO'S COUNCIL



Chairman: Mr P N Shah
Senior Advisor,
Mahindra & Mahindra Ltd.

G. THREE WHEELERS CEO'S COUNCIL



Chairman: Mr Ravi Chopra
Chairman and Managing Director,
Piaggio Vehicles Pvt. Ltd.

K. SAFE - SOCIETY FOR AUTOMOTIVE FITNESS & ENVIRONMENT



President: Mr Naveen Soni
Vice President –
Government Affairs & CSR,
Toyota Kirloskar Motor Pvt. Ltd.

H. TWO WHEELERS CEO'S COUNCIL



Chairman: Mr K N Radhakrishnan
President & CEO,
TVS Motor Company Ltd.



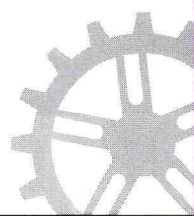
Vice President: Mr Anupam Shrivastava
Senior General Manager,
Bajaj Auto Ltd.

I. PASSENGER CAR CEO'S COUNCIL



Chairman: Mr Vikram Kirloskar
Vice Chairman,
Toyota Kirloskar Motor Pvt. Ltd.

As on 31st March 2017

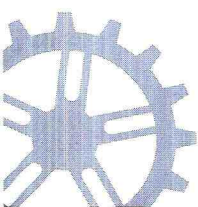


SIAM OFFICE BEARERS

SIAM Executive Committee 2016-2017

COMPANY	MEMBER	ALTERNATE MEMBER
Ashok Leyland Ltd	Mr Vinod K Dasari	Mr Anuj Kathuria
Bajaj Auto Ltd	Mr Rajiv Bajaj	Mr R C Maheshwari
Cummins India Ltd	Mr Anant J Talaulicar	Mr Sandeep Sinha
Fiat India Automobiles Pvt Ltd	Mr Gurpratap Boparai	Mr Kevin Flynn
Force Motors Ltd	Mr Prasan Firodia	Mr Prashant V Inamdar
Ford India Pvt Ltd	Mr Anurag Mehrotra	Dr Shripad Bhat
General Motors India Pvt Ltd	Mr Kaher Kazem	Mr Markus Sternberg
Hero MotoCorp Ltd	Mr Pawan Munjal	Mr Harjeet Singh
Hindustan Motors Finance Corp Ltd	Mr Uttam Bose (Co-opted)	
Honda Cars India Ltd	Mr Yoichiro Ueno	Mr Raman Kumar Sharma
Honda Motorcycle & Scooter India Pvt Ltd	Mr Minoru Kato	Mr V Sridhar
Hyundai Motor India Ltd	Mr Y K Koo	Mr B C Datta
Mahindra & Mahindra Ltd	Mr Rajan Wadhera	Mr P N Shah
Maruti Suzuki India Ltd	Mr Kenichi Ayukawa	Mr Rahul Bharti
Mercedes-Benz India Pvt Ltd	Mr Roland Folger	Mr S M Kadlaskar
Nissan Motor India Pvt Ltd	Mr Arun Malhotra (Co-opted)	
Piaggio Vehicles Private Limited	Mr Ravi Chopra	
Renault India Pvt Ltd	Mr Sumit Sawhney	Mr Jatin Aggarwal
Royal Enfield (A Unit of Eicher Motors)	Mr Siddhartha Lal	Mr G Sekar
Royal Enfield (A Unit of Eicher Motors)	Mr S Sandilya (Co-opted)	Mr Rudratej Singh
Tata Motors Ltd	Mr Ravi Pisharody	Mr Guenter Butschek
Toyota Kirloskar Motor Pvt Ltd	Mr Akito Tachibana	Mr Shekar Viswanathan
Toyota Kirloskar Motor Pvt Ltd	Mr Vikram Kirloskar (Co-opted)	Mr Narayan Swamy Raja
TVS Motor Company Ltd	Mr K N Radhakrishnan	Mr Sudarshan Venu
VE Commercial Vehicles Limited	Mr Vinod Aggarwal	Mr B Srinivas
Volkswagen India Pvt Ltd	Dr Andreas Lauermann (Co-opted)	Mr Pankaj Gupta

As on 31st March 2017

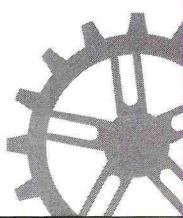


AIAM/SIAM PAST PRESIDENTS

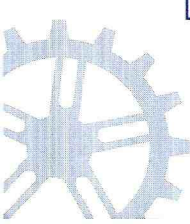
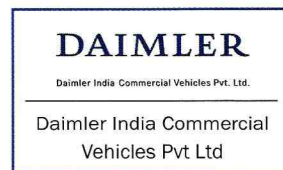
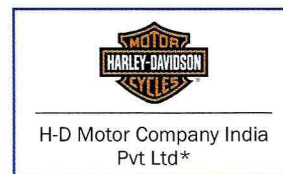
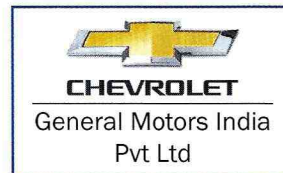
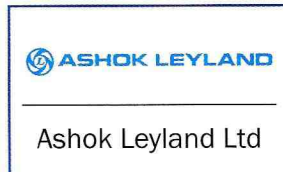
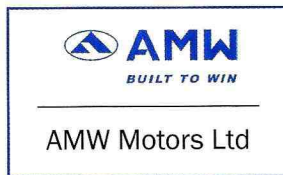
YEAR	NAME	COMPANY
1960	Mr Lalchand Hirachand*	Premier Automobiles Ltd
1961	Sir L P Misra*	Hindustan Motors Ltd
1962 & 1963	Mr A E L Collins*	Ashok Leyland Ltd
1964	Mr Keshub Mahindra	Mahindra & Mahindra Ltd
1965 & 1966	Dr M A Chidambaram*	Automobile Products of India Ltd
1967 & 1968	Mr K V Srinivasan*	Standard Motor Products India Ltd
1969	Mr A H Tobacchowala*	TELCO Ltd
1970 & 1971	Mr A Sivasailam*	Simpson & Co. Ltd
1972 & 1973	Mr N K Firodia*	Bajaj Tempo Ltd
1974 & 1975	Mr J E Talaulicar*	TELCO Ltd
1976 & 1977	Mr Rahul Bajaj	Bajaj Auto Ltd
1978 & 1979	Mr P N Venkatesan	Premier Automobiles Ltd
1980 & 1981	Mr C V Karthik Narayanan	Standard Motor Product India Ltd
1982 & 1983	Mr R J Shahaney	Ashok Leyland Ltd
1984 & 1985	Dr V Krishnamurthy	Maruti Udyog Ltd
1986 & 1987	Mr S L Bhatner	Hindustan Motors Ltd
1988/89 & 1989/90	Mr B De Souza*	Mahindra & Mahindra Ltd
1990/91 & 1991/92	Dr Abhay Firodia	Bajaj Tempo Ltd
1992-1993	Mr Subodh Bhargava	Eicher Motors Ltd
1993/94 & 1994/95	Mr Vinod L Doshi*	Premier Automobiles Ltd
1995/96 & 1996/97	Mr Brijmohan Lall*	Hero MotoCorp Ltd
1997/98 & 1998/99	Mr V M Raval*	TELCO Ltd
1999/00 & 2000/01	Mr Venu Srinivasan	TVS Motor Company Ltd
2001/02 & 2002/03	Mr R Seshasayee	Ashok Leyland Ltd
2003/04 & 2004/05	Mr Jagdish Khattar	Maruti Udyog Ltd
2005/06 & 2006/07	Mr Madhur Bajaj	Bajaj Auto Ltd
2007/08 & 2008/09	Mr Ravi Kant	Tata Motors Limited
2009/10 & 2010/11	Dr Pawan Goenka	Mahindra & Mahindra Ltd
2011/12 & 2012/13	Mr S Sandilya	Royal Enfield (A Unit of Eicher Motors)
2013/14 & 2014/15	Mr Vikram Kirloskar	Toyota Kirloskar Motors Ltd
2015/16 & 2016/17	Mr Vinod K Dasari	Ashok Leyland Ltd

* Since deceased

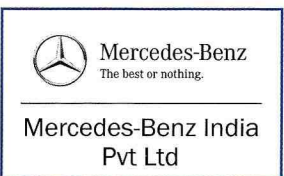
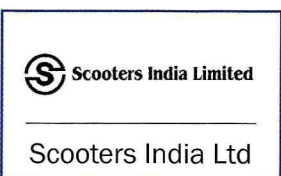
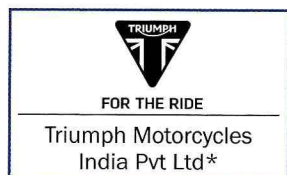
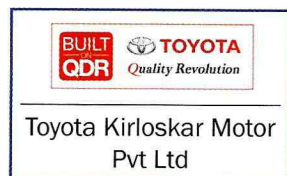
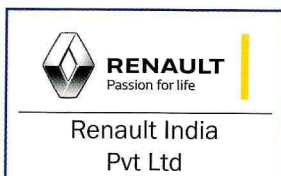
Note: The names of the Companies are as they were known then.



SIAM MEMBERS



SIAM MEMBERS



SIAM SECRETARIAT



Mr Amit Kumar

Mr Arindom Ghatak

Mr Arnab Chakraborti

Mr Atanu Ganguli

Mr B K Dutta

Mr Bhisham Prasad Rai

Mr Debasish Majumder

Mr Dikshant Negi

Mr Dinesh Patnaik

Mr Diwit Prajapati

Mr Hardik Makhija

Ms Jasleen Kaur

Mr J S Cheema

Mr Jitendra Rai

Mr K K Gandhi

Mr Kartike Karwal

Ms Manju Dhamija

Mr Manoj Mohapatra

Ms Meenakshi Kukreja

Ms Novika Sood

Mr P K Banerjee

Mr Philip Skaria

Mr R N Chakravarty

Ms Ragmani Shukla

Mr Raju Kamat

Mr Ramesh P Iyer

Ms Ritika Changia

Ms Ruby Ganguly

Mr Saurabh Rohilla

Mr Sugato Sen

Mr Sundeep Sundli

Ms Supriya Sinha

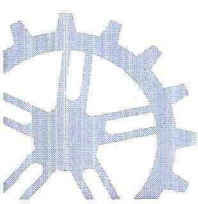
Mr Sushil Kumar

Mr Tribhuvan Rai

Mr V K Pandey

Mr Vishnu Mathur

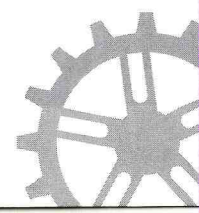
In alphabetical order



LINKAGE WITH OTHER INSTITUTIONS IN INDIA

All India Motor Transport Congress (AIMTC)
Alloy Steel Producers Association of India (ASPA)
Aluminium Association of India
Asian Development Bank (ADB)
Association of Indian Forging Industry (AIFI)
Association of State Road Transport Undertakings
Automotive Component Manufacturers Association of India
Automotive Research Association of India (ARAI)
Automotive Services Equipments Association
Automotive Skills Development Council (ASDC)
Automotive Tyre Manufacturers Association (ATMA)
Bureau of Indian Standards (BIS)
Central Institute of Road Transport (CIRT)
Central Road Research Institute (CRRI)
Center for High Technology (CHT)
Confederation of Indian Industry (CII)
Delhi Transport Corporation (DTC)
Federation of Automobile Dealers Association (FADA)
Indian Auto LPG Coalition
Indian Diesel Engine Manufacturers Association
Indian Institute of Foreign Trade (IIFT)
Indian Institute of Petroleum (IIP)
Indian Institute of Technology (IIT)
Indian Machine Tool Manufacturers Association (IMTMA)
Indian Rubber Institute (IRI)
Institute of Road Traffic Education (IRTE)
International Centre for Automotive Technology (ICAT)
National Automotive Testing and R&D Infrastructure Project (NATRIP)
National Council of Applied Economic Research (NCAER)
National Institute of Design (NID)
National Skill Development Corporation (NSDC)
Federation of India Petroleum Industry (FIPI)
Research & Information Systems for Non-aligned and Other Developing Countries
Society for Automotive Fitness & Environment (SAFE)
Technology Information, Forecasting and Assessment Council (TIFAC)
The Energy and Resources Institute (TERI)
Tractor Manufacturers Association (TMA)
Vehicle Research & Development Establishment (VRDE)
Western India Automobile Association (WIAA)

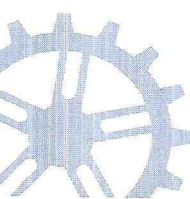
In alphabetical order



OVERSEAS LINKAGE

ASEAN Automotive Federation (AAF)
Asia Pacific Economic Cooperation Automotive Dialogue (APEC AD)
Associação Nacional dos Fabricantes de VeículosAutomotores (ANFAVEA), Brazil
AusTrade Commission, Australia
Auto Alliance, USA
American Auto Policy Council (AAPC), USA
Automotive Federation of Malaysia (AFM), Malaysia
Automotive Research & Testing Centre (ARTC), Taiwan
Bangladesh Automobile Assemblers & Manufacturers Association (BAAMA), Bangladesh
Bangladesh Motorcycle Assemblers & Manufacturers Association (BMAMA), Bangladesh
Ceylon Motor Traders' Association (CMTA), Sri Lanka
China Association of Automobile Manufacturers (CAAM), P R China
Clean Air Initiatives of Asian Cities (CAI-Asia)
Comité des ConstructeursFrançaisd'Automobiles (CCFA), France
European Automobile Manufacturers Association (ACEA), Europe
European Association of Motorcycle Manufacturers (ACEM), Europe
Federal Chamber of Automotive Industry (FCAI), Australia
Federation of Asian Motorcycle Industries (FAMI), Indonesia
Federation of Nepal Chamber of Commerce & Industry, Nepal
Fuels and Lubes Asia (F&L Asia)
Global Automotive Industry Dialogue (GAID)
GCC Standardization Organization (GSO), Saudi Arabia
Indonesia Automotive Federation, Indonesia
Indonesian Motorcycle Industry Association (AISI), Indonesia
International Motorcycle Manufacturers Association (IMMA), Switzerland
Japan Automobile Manufacturer Association (JAMA), Japan
Japan Automobile Standards Internationalization Centre (JASIC), Japan
Korean Automobile Manufacturers Association (KAMA), South Korea
Italian Association of the Automotive Industry (ANFIA), Italy
Ministry of Economy, Trade and Industry (METI), Japan
Motorcycle and Scooter Assemblers and Distributors Association of Malaysia, Malaysia
National Association of Automobile Manufacturers of South Africa (NAAMSA), South Africa
National Association of Vehicle Manufacturers (ANFAVEA), Brazil
National Highway Traffic & Safety Authority (NHTSA), USA
Nepal Auto Dealers Association (NADA), Nepal
Organisation Internationale des Constructeursd'Automobiles (OICA), France
Philippine Automotive Federation, Philippines
SAE International, USA
Taiwan Transportation Vehicle Manufacturers Association, Taiwan
Thailand Automotive Institution (TAI), Thailand
The Association of Indonesia Automotive Industries (GAIKINDO), Indonesia
The Indonesia Automotive Federation (FOI), Indonesia
The Indonesian Motorbike Assemblers' Association (PASMI), Indonesia
The Society of Motor Manufacturers and Traders (SMMT), UK
The Thai Automotive Industry Association (TAIA), Thailand
The United Nations Economic Commission for Europe (WP.29), Switzerland
Transport Research Laboratory, UK
UK Trade & Investment (UKTI), UK
US Department of Commerce, USA
US Department of Energy, USA
US Environment Protection Agency, USA
United States Motorcycle Manufacturers Association (USMMA), USA
Verband der Automobilindustrie.v. (VDA), Germany
Vietnam Association of Motorcycle Manufacturers (VAMM), Vietnam
Vietnam Automobile Manufacturers' Association (VAMA), Vietnam
Vietnam Register, Vietnam

In alphabetical order



SIAM

Society of Indian Automobile Manufacturers

Core-4B, 5th Floor India Habitat Centre, Lodi Road, New Delhi-110 003 (India)

Tel: +91-11-2464 7810-12, Fax: +91-11-2464 8222

Email: siam@siam.in, Website: www.siam.in