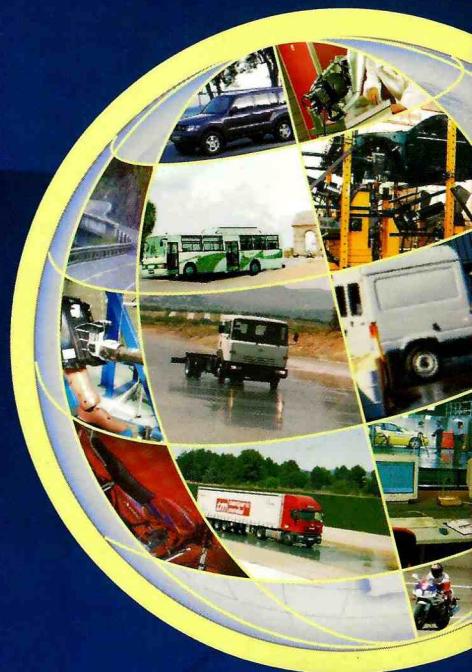


# SIAM

Society of Indian Automobile Manufacturers

## ANNUAL REPORT



**2004 - 2005**



Society of Indian Automobile Manufacturers

## Annual Report 2004 - 2005



An ISO 9001: 2000 certified institution

## Contents

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### Contents

President's Message .....	5
About SIAM .....	8
45 Years of SIAM .....	9
SIAM Agenda, Initiatives & Events .....	10
• Annual Convention 2004	
• Economic Agenda	
• Technical Agenda	
• Society & SIAM : SIAM outreach programmes	
• Interaction with State Governments	
• International Visits & Delegations	
• International Visitors	
Overview of Automobile Industry Performance .....	59
SIAM Office Bearers .....	64
Committees, Sub-Committees, Task Forces, .....	65
Working Groups & Core Groups	
Presidents .....	70
Members .....	71
Affiliation & Partnership with other Associations & Institutions ..	72
Secretariat .....	76

## President's Message

On 1<sup>st</sup> September 2005 I will be completing two years as President, SIAM. As I ready to hand over charge to the incoming President, this is an opportunity to review the distance traversed in these two years.

The automotive industry as a whole reached significant milestones - USD 1 billion exports, sale of a million passenger vehicles and 6 million two wheelers.

SIAM has always been recognized as a credible voice for the industry. It is also seen as a partner for the Government and for other stakeholders attempting to promote sustainable development of the automobile industry. Increasingly, it is now facilitating efforts to enhance the competitiveness of the Industry as India integrates with the global economy.

The past two years have seen certain new initiatives in these areas and few achievements too. The test facilities project has covered considerable ground. SIAM as an organization has shown commitment...and persistence... on this issue. Officials of the Government of India have appreciated the importance of test facilities in India, and some of them have contributed a great deal as this project moves towards fruition.

Over several years now SIAM had been advocating the need for a lead agency - a National Road Safety Board as an independent institution. Our view has been that road safety needs an integrated approach, ranging from road design to vehicle safety standards, to training and licensing and eventually healthcare infrastructure. Our view has found support among other stakeholders as well.

The Government has initiated action in this area. It bears repetition that the National Road Safety Board, should be body of experts and professionals who can work together and perform an effective role in bringing down fatalities. That is the model in countries that have successfully brought down road accidents and fatalities; we believe it will work in India.



## President's Message

SIAM has presented a proposal to the Ministry of Shipping, Road Transport & Highways for e-governance in the transportation sector whereby necessary IT infrastructure can be created for end to end vehicle registration information. MoSRT&H can release the data periodically.

The country moved to the next stage of emission:- BS III for four wheelers in 11 major cities and BS II in the rest of the country. I am happy that the roadmap is being adhered to. I hope that Government, oil industry and SIAM will continue to work in partnership to ensure clean air sustainable growth.

For a long time, the Industry had been seeking rationalisation of tax structure. The move to VAT early this fiscal has addressed the concern to a large extent. Barring a few States, where some issues have to be resolved, the country is on course to a genuine VAT regime.

By extending R&D benefits under Section 35 (2AB) of Income Tax Act to the Automobile Industry, the Government has helped promote indigenous research and product development in the country. Certain anomalies in Excise duties like the exemption to body building in the unorganized sector have also been done away with.

As India integrates with the global economy, we need a planned and holistic approach. We request a practical and reasonable approach. It is possible to be practical and reasonable, without being protectionist. While forging regional and free trade agreements, we ought not to lose sight of the importance of value addition. That alone will benefit the consumer and the industry in the long run.

It is two years since we started participating in the deliberations of the world forum for harmonization of vehicle regulations (UN ECE - WP 29). We have persuaded this forum to take cognizance of issues pertaining to countries like India. Perhaps, it is time for the Government, after dialogue with other stakeholders to consider becoming a signatory.

SIAM has proposed to the Government to set up a technical cell on the lines of international bodies like the Japanese Automotive Standards Internationalisation Center (JASIC) to support our efforts to harmonize technical regulations.

These are interesting times for the industry. The Indian Automobile Industry including the auto component industry, is gaining a toehold in global markets. Certain companies are going in for acquisitions and joint ventures abroad.

## President's Message

Is this the start of a new paradigm marked by the emergence of global Indian companies growing in diverse geographies and building a global work culture?

Perhaps, the quest has commenced; internationalization of manufacture and product development seems to be the next wave to propel Indian Industry.

Of late, the Indian Automobile industry is developing synergies with other sectors, notably Information Technology (IT) Design and Insurance.

In general, the Industry is exploring the potential of frontier technologies to see how they can help us resolve tomorrow's issues.

Recognising this, SIAM has tied up with Industry associations in Malaysia and Thailand through MoUs. We have been accorded Permanent Observer status in APEC-AD, offering us an international platform to exchange views and put forward the India viewpoint.

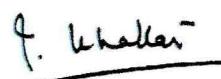
I am happy that SIAM has started to focus on building relations with State Governments. State Governments are looking to us for issues pertaining to emission and safety. We have made a beginning by building a case for uniform State Motor Vehicles Regulations. The process of cooperation with States has just begun; it holds tremendous promise and opportunities.

In particular, as we harmonise with international technical regulations to be manufactured as per a uniform template, interaction with States will be useful.

SIAM has carried forward its corporate citizenship agenda through SAFE. Our programmes have sought to involve the community: school children on the one hand and drivers on the other.

Such a diverse agenda could not have been managed satisfactorily without the support of the Executive Committee of SIAM, the technical heads, other resource persons and the SIAM secretariat. All of them have given me tremendous support during my tenure as President, SIAM.

I wish the organization the best for the future.



Jagdish Khattar  
President

1<sup>st</sup> September 2005  
New Delhi

## About SIAM

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SIAM PROVIDES A  
WINDOW TO THE  
INDIAN AUTOMOBILE  
INDUSTRY AND AIMS AT  
FACILITATING SUSTAIN-  
ABLE DEVELOPMENT  
OF THE INDUSTRY.

Society of Indian Automobile Manufacturers (SIAM) is the apex Industry body representing 38 leading vehicle and vehicular engine manufacturers in India.

SIAM provides a window to the Automobile Industry in India and aims to enhance exchanges and communication, expand economic, trade and technical cooperation between the Indian Automotive Industry and its international counterparts.

The Society works closely with all the concerned stake holders in the formulation of rules, regulations and polices related to the Automobile Industry.

SIAM interacts with experts to assess global trends and developments shaping the Automotive Industry. It has been actively pursuing issues like Frontier Technologies viz. Telematics, promotion of Alternative Fuels including Hydrogen Energy for automotive use and Harmonisation of Safety and Emission Standards.

SIAM is an important channel of communication for the Automobile Industry with the Government, National and International organizations. Dissemination of information through various publications, reports, seminars and conferences is an integral part of SIAM's activities. It organizes the biennial Auto Expo series of trade fairs in co-operation with Confederation of Indian Industry (CII) and Automotive Component Manufacturers Association of India (ACMA).

SIAM endeavours to be a catalyst for the development of a stronger Automotive Industry in India.

## 45 Years of SIAM

SIAM STARTED ITS  
JOURNEY 45 YEARS AGO  
WITH 8 MEMBERS.  
TODAY, THERE  
ARE 38 MEMBERS  
REPRESENTING ALL  
SEGMENTS OF VEHICLE  
& ENGINE INDUSTRY.

On 19 February 2005 SIAM completed 45 years since its incorporation in 1960.

Setting up of an Association of Automobile Manufacturers was the outcome of a recommendation of the Tariff Commission, Government of India, published in 1956, which wanted automotive industry to speak in one voice on matters of policy and fulfilling the following functions:

- Promote research and development, maintain testing laboratories, proving ground, etc
- To promote establishment of standards and evolve suitable principles for standardisation
- To collect and maintain statistical information, organise publicity, periodicals shows, exhibitions, etc and
- To promote satisfactory relations between Industry and the consumer, between producers of the vehicle and those of the ancillary parts and with this object to establish an organisation for the settlement of all disputes concerning quality, deliveries and after-sales service

AIAM was located in Bombay and at its inception had 8 members.

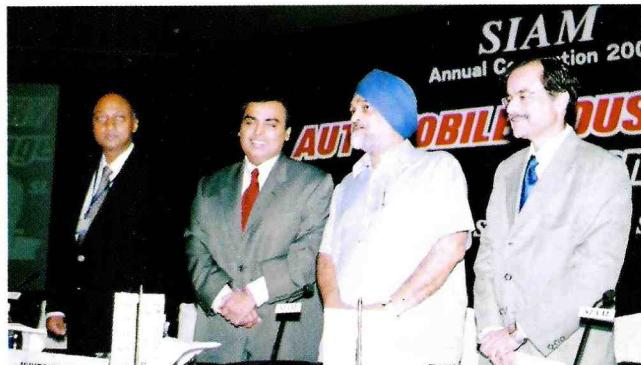
AIAM shifted to New Delhi in June 1995. In 1999 the 30 members of AIAM then, constituted the Society of Indian Automobile Manufacturers (SIAM) for greater flexibility in operation. SIAM continues to pursue the aims and objectives of AIAM.

Today, there are 38 members representing vehicle and vehicular engine manufacturers.

A commemorative book with messages from Past Presidents of SIAM was released on the occasion.

## SIAM Agenda, Initiatives & Events

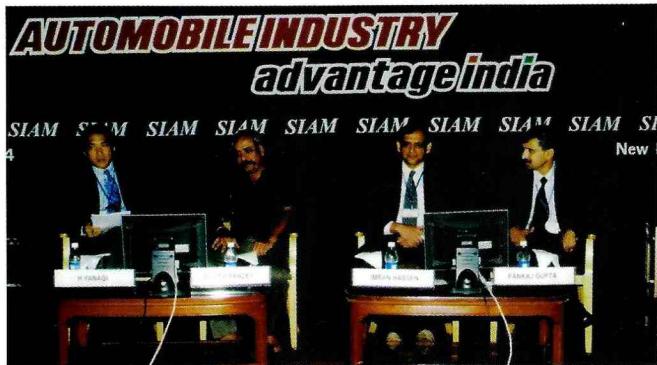
Photographs : SIAM Annual Convention 2004



Dr Montek Singh Ahluwalia, Deputy Chairman Planning Commission, Mr Mukesh D. Ambani, Chairman, Reliance Industries with President, Vice President, Treasurer & Director General SIAM at SIAM's Annual Convention 2004 at New Delhi



Session With Dr G Mustafa Mohatarem, General Motors Corporation, USA on Emerging International Markets. On the dais Mr David Friedman & Mr R Seshasayee



Q & A Session with Mr Piyush Pandey, O&M India on Challenges for Brand Development in the Automotive Industry. On the dais Mr H Yanagi & Mr Imran Hassen



Mr S Sandilya giving the introductory remarks in the session with Mr M Srinivas Rao, ITC Ltd on Leveraging the rural markets for growth. Also on the dais Mr Rakesh Jansi.



Mr K K Swamy making opening remarks in the session with Ms Chanda Kochhar, ICICI Bank on Empowering customers : The next frontiers of growth. Also on the dais Mr Ravi Chopra.

## SIAM Annual Convention, 1<sup>st</sup> September 2004



Session with Mr Subroto Bagchi, MindTree Consulting on IT in Automotive Sector. On the dais Mr Ulf Nordqvist and Mr Aditya Vij.



Mr Hans Michael Huber making a point at the session with Mr M Matsuura, G K Dynamics, Japan on Capturing Customer Imagination. Also on the dais Session Chairman Mr Ravi Kant.



Mr A Toyoshima, Toyota Kirloskar Motor Pvt Ltd greeting Mr Sontosh Mohan Dev, Minister of State (Independent Charge), Ministry of Heavy Industries & Public Enterprises.



Dr Haren Gandhi, Ford Motor Company, USA responding to a query at the session on Technology, Market and Partnerships. Also present on the dais Mr Anant J Talaulicar & Dr Pawan Goenka.



Panel discussion with Secretaries - MoC&I, MoSRTH, MoEF and Government of NCT of Delhi on "What should drive the Automobile Industry?" Also on the dais Mr Abhay Firodia & Mr R Santhanam.



A view of the audience at the SIAM Annual Convention 2004.

## SIAM Annual Convention, 1<sup>st</sup> September 2004

SIAM ANNUAL CONVENTION 2004  
CHIEF GUEST DR MONTEK SINGH AHLUWALIA AND MR MUKESH D AMBANI, THE THEME SPEAKER SPOKE ON ADVANTAGE INDIA - AUTOMOTIVE INDUSTRY. MR P CHIDAMBARAM, UNION FINANCE MINISTER MET CEO's OF SIAM MEMBERS ON THE OCCASION OF ANNUAL CONVENTION 2004.

### SIAM Annual Convention, 1<sup>st</sup> September 2004

SIAM Annual Convention "Automobile Industry: Advantage India" attended by more than 600 delegates.

Mr Mukesh D Ambani, Chairman & Managing Director, Reliance Industries Ltd delivered the theme address where he remarked that the automobile industry can play a major role in the resurgence of India to grow from a 500 billion US dollar economy to a 2 trillion US dollar economy in ten years. Industry could leverage India's advantage in talent, market, services and higher purchasing power.

The duty and taxation structure that govern the automotive sector need radical changes, not marginal tinkering said Montek Singh Ahluwalia, Deputy Chairman of the Planning Commission and the Chief Guest at the Annual Convention. He highlighted that while excise had been reduced substantially, it had been more than offset by an increase in road tax.

A Special Plenary Session with a focus on future drivers for the Automobile Industry with Secretary, Ministry of Commerce & Industry, Secretary, Ministry of Road Transport and Highways, Secretary, Ministry of Environment and Forests and Chief Secretary, Government of NCT Delhi was held.

Mr Sontosh Mohan Dev, Minister of State for Heavy Industries and Public Enterprises, Government of India, the Chief Guest at the Valedictory Session of the Convention urged the Industry to use the strengths of IT, electronics and a large trained manpower and above all a democratic environment for its growth.

#### Meeting with Union Finance Minister, 1<sup>st</sup> September 2004

SIAM organised a meeting with Mr P Chidambaram, Union Minister of Finance on 1<sup>st</sup> September 2004 at New Delhi where issues like Human Resource Development, retirement of vehicles, Customs Duty on inputs like Steel, introduction of VAT, reducing acquisition cost of vehicles, incentivising R&D, investment in Infrastructure, upgradation of Test Facilities etc. were discussed

Mr Chidambaram appreciated the concerns raised by the industry and assured his full support in strengthening manufacturing in India. In view of the recent performance shown by the industry, the Automobile Industry needed to be optimistic, he said.

## SIAM Annual Convention, 1<sup>st</sup> September 2004

### Dialogue with Mr P Chidambaram, Hon'ble Minister of Finance



Mr P Chidambaram, Hon'ble Minister of Finance at a Special Session with SIAM members on 1<sup>st</sup> September 2004.

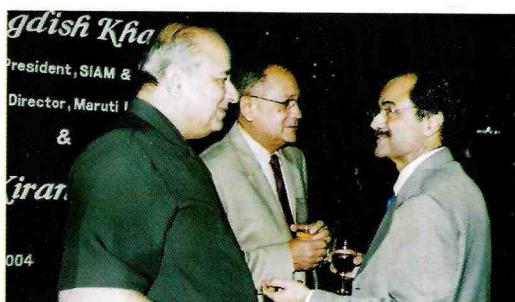


CEO's and other senior members at the dialogue with Mr P Chidambaram.



Mr P Chidambaram in conversation with SIAM members.

### Dinner hosted by Mrs Kiran Khattar and Mr Jagdish Khattar, President, SIAM



Mr Jagdish Khattar speaking with Mr R R Shah.



Mr S Sandilya in conversation with Mr P Mankad and Mr Bhure Lal.



Mr Ajai Vikram Singh in conversation with guests.

## Economic Agenda

SOME OF SIAM'S  
SUGGESTIONS FOR  
THE UNION BUDGET  
INCLUDED  
EXTENSION OF R&D  
INCENTIVE TO AUTO  
R&D, REDUCTION IN  
CORPORATE INCOME  
TAX, ETC.

### SIAM Memorandum of Suggestions for Union Budget 2005-06

SIAM organised a meeting with Mr Gautam Bhattacharya, Director, Tariff Research Unit, Ministry of Finance in Bangalore on 29<sup>th</sup> November 2004 to discuss SIAM's Pre-Budget Memorandum 2004 - 05 and issues relating to Customs & Excise and Service Tax.

The SIAM team led by Mr Jagdish Khattar, President, SIAM and Mr K K Swamy, Chairman SIAM Taxation Committee made a presentation covering suggestions on the Excise Duty Structure, Customs Duty Structure, Direct Tax Structure and VAT Implementation.

Mr Jagdish Khattar, President, SIAM was also invited for a meeting chaired by Mr P Chidambaram, Union Finance Minister on 11<sup>th</sup> January 2005 where President reiterated the suggestions made in the SIAM Memorandum of Suggestions for Union Budget 2005-06.

Some of the features of the Union Budget 2005-06, which included SIAM recommendations were:

- a. Reduction in corporate tax
- b. Implementation of VAT from 1<sup>st</sup> April 2005
- c. Reduction in Customs duty on parts & components, tyres and air conditioners from 20% to 15%.

However,

- Customs duty on commercial vehicles was reduced to 15% from 20% despite SIAM's request to maintain status quo or raise it to the 40% bound rate level.
- Excise duty on passenger cars was not reduced and remained unchanged at 24%.
- Custom duty on CBUs of Cars & Two wheelers was left unchanged at 60%.



Mr Gautam Bhattacharya, Director, TRU, Ministry of Finance at the SIAM meeting on Union Budget 2004 -05 at Bangalore

## Economic Agenda

SIAM SUGGESTED THAT  
FOR VAT, THE HARYANA  
MODEL SHOULD BE  
TREATED AS IDEAL.

### SIAM Post Budget Memorandum of Suggestions 2005-06

SIAM convened a meeting of the Taxation Committee under the Chairmanship of Mr K K Swamy to discuss its Post- Budget Memorandum 2005-06 and issues related to VAT Implementation on 16<sup>th</sup> March 2005 at New Delhi.

SIAM submitted its Post Budget Memorandum of Suggestions 2005-06 to the Government on 6<sup>th</sup> April 2005.

### Value Added Tax

SIAM organised an interactive session with Mr K K Gupta, an expert on VAT on 23<sup>rd</sup> July 2004 .

The Haryana VAT model linked input tax to CST and had stated to phase out the input tax with the phasing out of CST. The Government of Haryana had not suffered any revenue loss due to introduction of VAT but revenue had gone up because of the widening of the tax net. It emerged that the Haryana Model could be an ideal model which captured the spirit of VAT and could be suggested to other State Governments for adoption.

Mr K K Swamy, Chairman, SIAM Taxation Committee, requested members to take up all VAT related issues with their respective State Governments. Companies were identified to lead the interaction with various States. It was also felt that SIAM needed to strongly take up the issue of phasing out of CST with the Union Ministry of Finance.

A meeting with Mr Ramesh Chandra, Secretary, Empowered Committee of State Finance Ministers was held on 19<sup>th</sup> August 2004 to discuss the preparedness of various States for VAT, slated for implementation from 1<sup>st</sup> April 2005.

SIAM Meeting on VAT on 22<sup>nd</sup> June 2005  
at New Delhi



## Economic Agenda

SIAM WANTS  
REDUCTION OF THE  
VAT RATE ON INPUTS  
FROM 12.5% TO 4%  
WHEN SUPPLIED TO  
OEMs FOR  
MANUFACTURE OF  
VEHICLES.

VAT was introduced in April 2005. While some states have not introduced VAT, States have reached a consensus on two rates of VAT, i.e. 4 % for inputs and 12.5% for finished products. The Empowered Committee had come out with a list of items to be included under the two rates.

SIAM met Governments at the State level to discuss concerns of the Industry on VAT Rules and Legislation in different States.

### Meeting with Commissioner of Sales Tax, Maharashtra State

SIAM delegation met the Commissioner on 9<sup>th</sup> August 2005 to discuss concerns on VAT:

- Reducing the VAT rate on inputs from 12.5% to 4% when supplied to OEMs for further manufacturing of vehicles.
- Wind Mill Certificates utilization - restoring the earlier position so that OEMs who had made investments in Wind Mills were not at loss.

### SIAM interactions with the Parliamentary Standing Committee on Industry

SIAM met with the Parliamentary Standing Committee on Industry on 12<sup>th</sup> August 2004, 27<sup>th</sup> August 2004, 12<sup>th</sup> April 2005 and 27<sup>th</sup> April 2005. Senior members from the industry Mr Jagdish Khattar, President, SIAM, Mr K K Swamy, Chairman, SIAM Taxation Committee and Mr P Balandran, Vice President (Corporate Affairs), General Motors India Pvt Ltd with SIAM Secretariat made presentations to the Committee.

The main issues highlighted by SIAM were:

1. High incidence of tax suffered by the automobile sector therefore to reduce the Excise Duty from 24% to 16% to bring down the acquisition cost of vehicles.
2. Support for project on Upgradation and Augmentation of Test Facilities in India.
3. Government should incentivise scrappage of old vehicles.
4. Fuel pricing should be based on market principles so that the problem of fuel adulteration could be addressed.
5. Implementation of uniform VAT across the States
6. Increase Custom Duty on commercial vehicles from 15% to the bound rate of 40%.
7. Higher weighted deduction of 150% under section 35(2AB) of IT Act for R&D purpose be extended upto 2010.

## Economic Agenda

DEVELOPMENT COUNCIL HAS CONSTITUTED A TASK FORCE TO ADDRESS ISSUES AFFECTING DEVELOPMENT OF AUTO SECTOR.

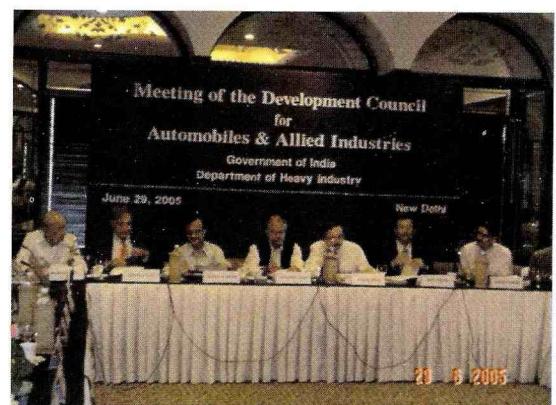
During these meetings the Secretary, Joint Secretary from Ministry of Finance, Ministry of Heavy Industries & Public Enterprises, Ministry of Environment & Forests and Ministry of Shipping, Road Transport & Highways were also present.

### Development Council Meeting

The reconstituted Development Council met after more than a year on 29<sup>th</sup> June 2005. SIAM, ACMA and TMA made industry presentations covering the status of the industry and areas that need to be addressed. The Council agreed to setting up a Task Force from SIAM / ACMA / TMA members to be convened by Joint Secretary, MoH&PE to address the issues affecting sustainable development of automotive industry.

Under this Task Force, a number of sub-groups would look into different aspects of automotive sector. This Task Force would also discuss and look at the funding of various projects i.e. ICAP, WP-29 visits, research studies, Recycling, etc. that SIAM had requested besides working out the 10 year mission document for the automotive sector.

*Mr Brijmohan Lall, Hero Honda Motors,  
Mr Ratan Tata, Tata Motors, Mr Jagdish  
Khattar, President, SIAM,  
Mr Priyadarshi Thakur, Secretary,  
MoH&PE, Mr A Didar Singh,  
Joint Secretary, MoH&PE, Mr Deep  
Kapuria, President, ACMA, Mr Sanjeev  
Ranjan, Director, MoH&PE at the  
Development Council Meeting on  
June 29, 2005.*



### Round table on the Business of Automobile Leasing

SIAM had a meeting with Mr D P Sengupta, Joint Secretary, Ministry of Finance on 20<sup>th</sup> July 2004 to discuss industry concerns with respect to the business of leasing. Issues such as lack of clarity regarding definition of leasing, no distinction between Operating Lease and Financial Lease and the multiplicity of taxes that the leasing sector attracted were taken up. Mr Sengupta informed that the Ministry would be keen to understand from industry the various issues and find appropriate solutions.

## Economic Agenda

WTO NEGOTIATIONS  
WOULD HAVE FAR  
REACHING IMPACT ON  
ALL SECTORS. SIAM  
WANTS CALIBRATED  
REDUCTION OF  
DUTIES.

Keeping this in view SIAM organised a Round table on the Business of Automobile Leasing on 22<sup>nd</sup> July 2004 in New Delhi which was attended by representatives from the leasing industry, automobile industry, government, accounting experts, among others. While in developed countries around 50% passenger vehicles and 30% of commercial vehicles were sold through the lease route, whereas in the case of India 90% of vehicles were sold on hire purchase - mainly through financing route and remaining through other routes such as leasing etc. Legal and tax implications coupled with marketing and recovery bottlenecks were identified as the major factors impeding automotive leasing business.

It was agreed that representatives from the automobile industry and the leasing industry would work jointly to represent to the Government to make leasing an attractive tool for selling vehicles and bringing it on par with financing.

### Non Agricultural Market Access Negotiations (NAMA) in WTO

As a part of the preparation for the next WTO Ministerial conference in December 2005 at Hong Kong President SIAM had written to Union Minister of Commerce reiterating industry's stand that passenger cars and two wheelers, which are already in the list of sensitive items for India should be retained as such and tariffs not bound. Commercial vehicles should also be included in the sensitive items list and they should be kept out of the formula as the current basic customs duty has already reached a low level of 15%.

SIAM also conveyed to the Government of India the implications of the NAMA negotiations, if the Swiss formula were to be used for determining future bound rates either with a single or a dual co-efficient the tariff cuts will be drastic.



Mr Rajeet Mitter, Joint Secretary and Mr A Sen, OSD (GATT), the WTO team of Ministry of Commerce with Mr S Sandilya, Treasurer, SIAM in a workshop organised by SIAM

## Economic Agenda

SECOND HAND VEHICLE  
IMPORTS SHOULD BE  
BANNED. THERE  
SHOULD BE NO  
DILUTION IN THE  
CONDITIONS OF IMPORT  
FOR VEHICLES.

With formula reduction, even the 105% Unbound tariff lines will come down to 23% (with a Swiss coefficient of 30), with a Swiss coefficient of 15 the unbound tariff of 105% will come down to 13.13%. Bound tariffs of 40% will come down to 10.9%.

SIAM pointed out that as per Doha mandate, Developing countries should get Special and Differential (S&D) treatment i.e. flexibility of less than full reciprocity And automobile and components should be included under S & D.

### Import of Used / Second-hand vehicles

SIAM requested Government to ban import of second hand / used and remanufactured products. SIAM underscored the point that a vehicle manufacturing industry and an imported used vehicle industry could not co-exist. Most countries with domestic auto industry had acknowledged the issue of used vehicle imports and addressed it by restricting such trade or by completely banning it.

Trade in remanufactured vehicles was essentially the trans-boundary movement of the waste of one country to another. It shifted the environmental and safety burden of developed countries to developing countries.

SIAM pointed out that conditions of imports in the EXIM policy were WTO compatible. This provision had only just begun to serve its purpose and there should be no dilution.

### Non Tariff Barriers (NTBs)

SIAM met Mr R Mitter, Joint Secretary and Mr A Sen, OSD (GATT) in the Ministry of Commerce and Industry (MoC&I) to discuss the U.S. proposal to WTO on Non Tariff Barriers related to the Automobile Sector and other WTO issues.

SIAM communicated that NTBs were becoming important for trade even as tariff barriers were being lowered. It was conveyed that Indian automotive industry was free of any NTBs as stated in the US paper. **SIAM strongly opposed the proposal that restrictions on trade of remanufactured products was an NTB.**

It was pointed out that homologation requirements had not been included in the US paper on NTBs. SIAM reiterated that it supports harmonization of standards, which was being deliberated at UNECE WP29.

## Economic Agenda

SIAM HAS IDENTIFIED  
20 SENSITIVE ITEMS TO  
BE PUT IN INDIA'S  
NEGATIVE LIST FOR  
PREFERENTIAL IMPORT  
FROM ASEAN, CHINA,  
JAPAN, KOREA, ETC.

SIAM also informed the Government that discussions held in Geneva amongst different auto industry associations, as quoted in the US paper, were strictly on NTBs and should not be construed as the basis for support in respect of any sectoral negotiations of tariffs or for that matter an endorsement of bringing in the NAMA negotiations, other issues that were currently being discussed under different committees (like trade facilitation, Services, etc.) in WTO. The discussion was currently focused on identifying NTB's and the modus-operandi for discussing redressal was to be deliberated with the Government.

### India's Preferential / Free Trade Agreements

SIAM participated in several meetings with Government of India including round tables for industry consultation on different FTAs/RTAs such as:

- Thailand/Association of South East Asian Nations (ASEAN)/Singapore/ Malaysia
- Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation (BIMSTEC) / Bangkok Agreement
- South Asian Free Trade Area (SAFTA) / Sri Lanka / Mauritius
- MERCOSUR / Chile
- China / Korea / Japan
- South African Common Union (SACU) / Egypt
- Gulf Cooperation Council (GCC)

SIAM was positive about SAFTA and FTAs such as Chile, GCC, etc as members want market access in these markets.

SIAM communicated its reservations on FTAs with Thailand, BIMSTEC, ASEAN, China etc as Indian industry had significant competitive disadvantages and the FTAs would lead to market distortions.

SIAM has identified 20 items (CBU and Engines) to be put in the negative list for FTAs with Thailand, BIMSTEC, ASEAN, China, Korea etc.

## Economic Agenda

PREFERENTIAL RULES OF  
ORIGIN SHOULD BE  
DEFINED IN TERMS OF  
CHANGE IN TARIFF  
HEADING PLUS 50%  
VALUE ADDITION AND  
NON QUALIFYING  
PROCESSES  
PREDETERMINED.

On Rules of Origin for automotive products, SIAM had proposed that a combination of Change of tariff classification, 50% value addition and clear definition of non qualifying processes as under should be followed :

- Change of Custom tariff classification at the 4 digit level (from import to export) - CTH+
- Value Addition (Transaction Value Build Down method) at 50%, (including value of sub-component import of parent assemblies) - VA +
- Non qualifying processes: Packaging, Re-packaging, Polishing, finishing, mere assembly or disassembly, Inspection, Internal Transport, freight, anti-rust applications, oiling, etc

SIAM advocated that seeking strict definition for Rules of Origin was legitimate and promoted fair trade. SIAM analysis of several major FTAs worldwide showed that except for AFTA (ASEAN Free Trade Agreement - 1992), all others (NAFTA, and more recently US-Chile, US-Australia, Korea - Chile, U.S. - Singapore, Australia-Thailand, Japan Mexico, US-Thailand, Singapore-Japan, India-Nepal, India-Sri Lanka, etc) had CTH + Value Addition criteria.

SIAM was of the view that a robust and consistent definition of Rules of Origin was important in all FTA/PTAs that India was negotiating.

### BIMSTEC

The initial sensitive lists by countries had been exchanged under the BIMSTEC FTA being negotiated by India with Thailand, Myanmar, Sri Lanka, Bangladesh, Bhutan and Nepal.

SIAM stand with respect to BIMSTEC was the same as it was with respect to the India-Thailand FTA. It was conveyed to Government of India that since Thailand was a partner in BIMSTEC, the 20 sensitive items for the India-Thailand FTA should be retained as such for the BIMSTEC agreement.

All the items suggested by SIAM, including CVs and Engines, had been kept in India's preliminary sensitive list by Government of India and it was hoped that these items would be retained in India's final negative list during the negotiation.

## Economic Agenda

SIAM WANTS MARKET  
ACCESS IN THE  
NEIGHBOURING  
COUNTRIES THROUGH  
SAFTA WITH  
AUTOMOBILES  
GETTING  
PREFERENTIAL  
TREATMENT.

### SAFTA

South Asian Association for Regional Cooperation (SAARC) consisting of seven countries, namely, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka was now negotiating the South Asian Free Trade Area agreement (SAFTA).

For SAFTA, SIAM had recommended that automobiles be removed from the negative list. SIAM had also recommended that uniform Rules of Origin should be followed.

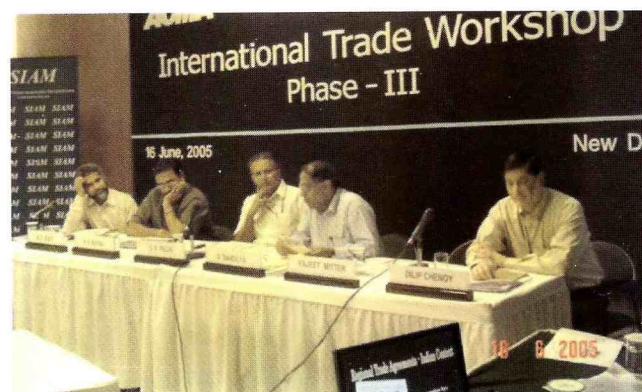
### International Trade Workshop - Phase -III

SIAM had organised International Trade Workshop Phases I & II in 2004. Continuing the discussion Phase -III workshop was jointly organised with ACMA on 16<sup>th</sup> June 2005. Mr S Sandilya, Treasurer, SIAM and Group Chariman & CEO, Eicher Group chaired the workshop.

The topics for discussion were :

- WTO- NAMA
- FTA's / RTA's
- Other Trade Issues

Officials from Ministry of Commerce including Mr G K Pillai, Additional Secretary and Mr Rajeet Mitter, Joint Secretary, Mr R S Ratna, Director, Mr K C Rout, Director and Mr Agneshwar Sen, OSD (GATT), made presentations and explained issues related to current developments in trade policy area.



Mr K C Rout, Director, Mr R S Ratna, Director and Mr G K Pillai, Additional Secretary, Ministry of Commerce with Mr S Sandilya and Mr Dilip Chenoy at the International Trade Workshop - Phase -III at New Delhi

## Economic Agenda

SIAM SIGNED AN MoU  
WITH COUNTERPART  
ORGANISATIONS IN  
THAILAND AND  
MALAYSIA FOR  
COOPERATION AND  
EXCHANGE OF  
INFORMATION AND  
KNOWLEDGE.

### Market Access Initiative Projects

Ministry of Commerce & Industry, Government of India had approved financial support to SIAM to carry out a market development initiative in the ASEAN region under Market Access Initiative (MAI) scheme.

Under this, SIAM would undertake the following activities in different countries during the next one year with support from the Ministry of Commerce:

- Trade studies
- Study of Export Infrastructure requirement
- Seminars / stakeholders meetings/ buyer-seller interaction, etc
- Publicity campaigns to promote “Made in India” brand
- Organising visit of Foreign Delegates from ASEAN: Industry Leaders, Policy Makers, Experts, Journalists, Dealers, Importers, etc during Auto Expo 2006
- Participating in APEC/ FAMI meetings
- Organising an Automotive Trade Dialogue

### Indian Automotive Delegation to Thailand and Malaysia

An SIAM delegation visited Thailand and Malaysia during 26<sup>th</sup> - 31<sup>st</sup> March 2005. The objective was to build a partnership with The Thai Automotive Industry Association (TAIA) and the Automotive Federation of Malaysia (AFM).

The Indian team was led by Mr P Balandran, Vice President, General Motors India and Member SIAM, Executive Committee, Mr C P Rangachar, President IMTMA and members from ACMA also participated in the programme. Other members of the delegation were from Eicher Motors, Force Motors, Hindustan Motors, Mahindra & Mahindra, Maruti Udyog, Royal Enfield, Tata Motors, Tatra Trucks and TVS Motor.

SIAM signing MoU with Automotive Federation of Malaysia

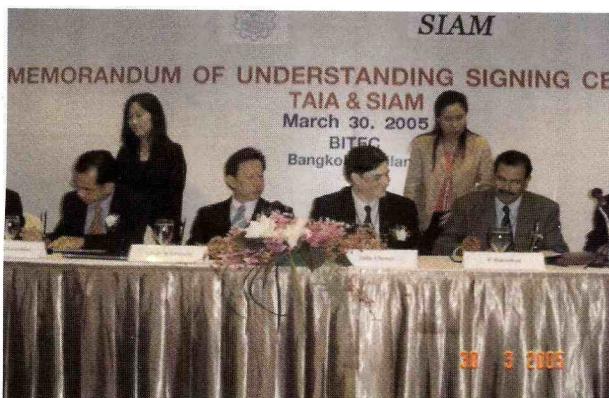


## Economic Agenda

APEC AUTOMOTIVE  
DIALOGUE DISCUSSING  
WTO NAMA, USED  
VEHICLE TRADE,  
PREFERENTIAL RULES  
OF ORIGIN, IPR,  
TRADE FACILITATION,  
ETC.

In Malaysia and Thailand, presentations were made by SIAM on the Indian automobile industry, ACMA on auto component industry, IMTMA on Machine Tools Industry. Mr Sanjeev Ranjan, Director, Ministry of Heavy Industries & Public Enterprise participated and made a presentation on the Investment Environment and Opportunities in the Auto Sector in India. Local associations and government officials made similar presentations on behalf of Malaysia and Thailand.

Cooperation would include, exchange of views and information participation in motor shows and other events in each other's countries, cooperation in technical areas like air quality improvement, alternative fuel vehicles development etc.



*Signing MoU with The Thai Automotive Industry Association*

### SIAM's Participation in APEC Automotive Dialogue

The 7<sup>th</sup> meeting of the APEC Automotive Dialogue (AD) was held in Manila, Philippines on April 19<sup>th</sup> - 22<sup>nd</sup>, 2005. The AD was attended by Government and private sector representatives from Australia, China, Indonesia, Japan, Korea, Malaysia, Mexico, Philippines, Chinese Taipei, Thailand, and the United States. SIAM attended the meeting as a Guest.

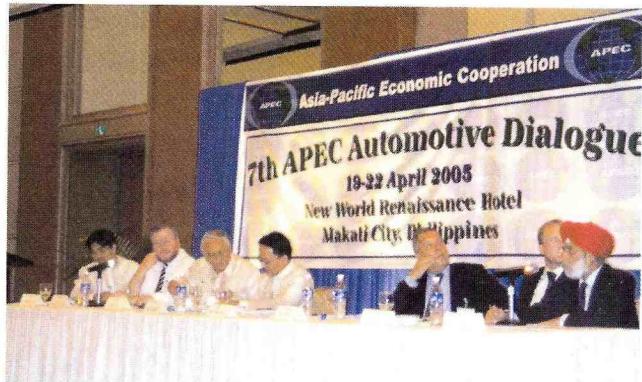
The discussions at the meeting included NAMA, trade in Used Vehicles, Rules of Origin, Intellectual Property Rights, Customs procedure simplification, Road Safety Initiatives and the ASEAN Cooperative management for Automotive Technical Regulations (ACAATR).

Mr A S Puri of Tata Motors made a presentation on the Indian policy on Used Vehicles and emphasized that international trade of used vehicles should be discouraged. If trade cannot be restricted, there should be a ban on trade of used / second hand vehicles and products. He also suggested that disputes and concerns about used vehicle trade should be discussed bilaterally and not in any multilateral fora.

## Economic Agenda

SIAM's SUGGESTIONS ON  
EXIM POLICY PREPARED  
KEEPING IN VIEW  
SIGNIFICANT EXPORT  
GROWTH IN RECENT  
YEARS.

SIAM participation in APEC  
Automotive Dialogue in  
Manila



The Automotive Dialogue identified used vehicle trade as an important area of concern to all economies. Member economies exchanged views on import of used vehicles and recognized that trade in used vehicles can impact their domestic safety, environmental, and developmental goals. Auto Dialogue members recommended that their Ministers recognize the rights of individual economies to regulate imports of used vehicles.

### EXIM Policy Recommendations

SIAM met Mr K T Chacko, Director General, DGFT to discuss the EXIM Policy

SIAM suggestions for EXIM Policy were prepared keeping in view that in the last few years automobile exports have grown quite significantly and crossed the USD 1 billion exports mark last year and the future export potential of Indian automobile industry .

The Government had accepted SIAM suggestions and addressed the problems related to Target plus Scheme and DFCE Certificate in the new EXIM Policy.

### Meetings of the Task Force on Styling & Design

SIAM had initiated a dialogue with the National Institute of Design (NID), Ahmedabad, regarding augmentation of capabilities in styling & design in the country. SIAM had discussed with the Ministry of Heavy Industries & Public Enterprises, the possibility of Ministry support in setting up capacity building for design & styling in the country.

## Economic Agenda

SIAM WOULD TAKE FORWARD ITS INITIATIVE ON STYLING & DESIGN.

The NID proposal to set up Automotive & Mobility Design Centre was discussed at the meeting of SIAM Task Force on Styling & Design on 7<sup>th</sup> September 2004 in Mumbai under the Chairmanship of Mr Ravi Kant, Executive Director, Tata Motors.

During the Development Council meeting held in June 2005, NID made a presentation and received encouraging response from members. SIAM would take this initiative forward and organize an International Design Conclave during Auto Expo in January 2006.

### Eco Tax

Madras School of Economics (MSE) and National Institute of Public Policy and Finance (NIPFP) had submitted an Interim Report on “A Proposal to Levy Taxes on Polluting Inputs and Outputs and Pollution Charges on certain Monitorable Emissions” in December 2002.

Subsequently, SIAM made representations to MoEF, MSE and NIPFP on industry's views and concerns.

The final report on the subject was submitted by MSE and NIPFP to MoEF in July 2004. The report covered automobiles, coal, phosphate based detergents, chlorine in paper and pulp and rayon industries, pesticides, fertilisers, lead acid batteries and plastics.

The study had recommended a resource tax on two wheelers and passengers cars, an Eco Cess on different grades of coal, withdrawing/reducing or abolition of CENVAT on Chlorine, use of non-phosphate detergents like zeolite, non-organic pesticide, production of secondary lead by the organised sector, levy of environmental cess on the sale of scrap batteries and subsidy for investment in R&D on bio-fertilisers.

SIAM met MoEF officials during the year and reiterated the stand that “Eco-Taxation on Automobiles” would not yield desired results.

### National Steel Consumer Council Meeting (NSCC)

The NSCC meeting was held in December 2004, where SIAM raised the issues regarding availability of forging quality steel, price escalation by domestic manufacturers, quality etc. It was pointed out that Auto grade cold rolled sheets, Hot rolled sheets & plates, electro galvanized sheets, and fuel tank coated sheets were not available as per demand. There was a wide gap in demand and availability necessitating imports of these materials.

To face international competition various types of steel needed to be developed indigenously at competitive prices and of international quality.

## Economic Agenda

IT ROUNDTABLE HELPED SHARE EXPERIENCE AND BEST PRACTICES AND DELIBERATED IF ANY STANDARD PROTOCOL NEEDS TO BE EVOLVED.

### Labour Reforms

Mr Jagdish Khattar, President SIAM was invited by the Union Minister of Labour & Employment for a meeting on 29<sup>th</sup> March 2005 to take stock of the suggestions on labour reforms.

President SIAM made suggestions for amendments in the Factories Act, Contract Labour Act, Trade Union Act & Industrial Disputes Act.

### Round Table on IT Initiatives

SIAM organised the first Round Table on IT Initiatives under the aegis of its Task Force on IT Initiatives on 29<sup>th</sup> April 2005 at New Delhi. This helped the participants to share experiences, know about best practices, deliberate on the next practices and discuss whether any standard protocol needed to be evolved, especially when it comes to integration with vendor, and dealer business systems.

*Mr Rajesh Uppal, Chairman, Task Force on IT Initiatives, welcoming participants at the inaugural of Round Table on IT Initiatives.*



Detailed presentations were made on the following topics:

- ERP and related Supply chain automation
- Application, PLM, CRM
- IT enabled Warehousing
- Dealership Management
- Migration to SAP R/3 4.7 Enterprise with Centralized Architecture

The next Round Table will be held on 16<sup>th</sup> September 2005 in Chennai. The Round table would include:

- Sharing of Best Practices globally on CRM
- Panel discussion with the State Transport Officials on E-Governance
- Open discussion with Members and Excise Official on Excise related issues.

## Economic Agenda

IN THE ROUND TABLE  
ON COMMERCIAL  
VEHICLES  
PARTICIPANTS  
DISCUSSED FUTURE  
PROSPECTS FOR THE  
SEGMENT.

### Roundtable on Prospects for Commercial Vehicle Sector

A Roundtable on Prospects for the Commercial Vehicle Sector was organised under the aegis of the Committee on Commercial Vehicle Sector (Transportation Issues) on 21<sup>st</sup> July 2005 at Mumbai.

The participants included representatives of financial institutions and vehicle manufacturers, analysts, economists, logistic service providers, transport operators and dealers.

The objective was to get the different stakeholders in the Commercial Vehicle Sector to share their perspectives on the prospects of the commercial vehicle sector in 2005-06, and recommend initiatives that may be taken by financial institutions, fleet operators and OEs.

Some of the main points emerging from the deliberations :

- While inputs costs including price of diesel had gone up considerably freight rates had not kept pace. The margins of operators were therefore getting affected.
- There was a need to incentivise/ encourage replacement and that had to be done in partnership by stakeholders like the Government, OEs and dealers and financiers.
- Financiers should give longer tenure loans with flexible pricing and they should also differentiate financing depending on technology.
- The prospects for the bus segment was good.

### President, CII addresses SIAM Executive Committee

Mr Yogesh C Deveshwar, President, CII addressed SIAM members during the Executive Committee meeting held on July 8, 2005.

In his remarks Mr Deveshwar stated that India was a large country and to bring the per capita income to the level of OECD countries, a lot of work needed to be done. Focus had to be on environmental and human aspects also. He shared his views on sustainability through the “triple bottom line” approach that lays emphasis on augmentation of ecological, economic and social capital.

## Economic Agenda

SIAM TEAM MET UNION  
COMMERCE MINISTER  
TO CONVEY POSITION  
ON TRADE POLICIES.

He requested SIAM members to contribute their expertise to the CII Centres of Excellence as it would be mutually beneficial and also requested SIAM members to participate in Auto Expo 2006 to make it successful.

He also stated that CII wants to nurture its relationship with SIAM and ACMA and said both the associations were doing commendable work for their membership.

### **Meeting with Mr Kamal Nath, Union Minister for Commerce & Industry on 2<sup>nd</sup> August 2005**

SIAM had a meeting with Mr Kamal Nath, Union Minister for Commerce & Industry on 2<sup>nd</sup> August 2005 at New Delhi. Mr Jagdish Khattar, President, SIAM led the team

SIAM recommendations at the meeting were as follows :

#### **WTO**

- CBU's (including commercial vehicles) should be kept in the sensitive list for S&D treatment
- Cars / 2 Wheelers to be bound at no less than 80%
- Bound rates for CVs/components retained at 40%
- No dilution in conditions of import. Ban import of used/ remanufactured vehicles & components.

#### **FTAs / PTAs**

- SIAM supports FTA with SAARC / GCC
- 76 sensitive items for all FTAs involving Thailand / China
- Preferential Rules of origin should be a combination of Value Addition +
- Change of Tariff Heading + Non qualifying processes

Mr Kamal Nath appreciated the Industry stand and assured that the industry interest would be kept in forefront in Trade negotiations at WTO and different FTAs / RTAs.

He also mentioned that he was quite upbeat and confident that the Indian automotive industry would grow and he would like to see India becoming the hub for Small Cars / Commercial Vehicles, Two Wheelers and Components.

## Technical Agenda

UNION CABINET HAS  
APPROVED THE  
TESTING FACILITIES  
PROJECT FOR  
AUTOMOTIVE  
INDUSTRY.

### National Automotive Testing and R&D Infrastructure Project

This ambitious project was initiated by SIAM in 2001 and taken forward jointly by SIAM and Ministry of Heavy Industry. Number of meetings and discussions were organized. The Government of India approved an investment of Rs. 1718 crore in July 2005.

The project aims at a comprehensive upgradation of testing facilities in the country. This would not only help industry in reducing time and cost for homologation of vehicles but would also help in developing world class products and integrating the Indian Automotive industry with the global automotive industry.



Mr Priyadarshi Thakur, Secretary, MoH&PE alongwith Mr Sunil Chaturvedi, Director, NATRIP during an interaction with SIAM members for Test Facilities Project.

### Introduction of New Regulations

2005 was a significant year with regard to automotive regulations, as we saw the introduction of a number of regulations relating to Emission, Safety and Noise. The regulations introduced during the year included :

- Introduction of Bharat Stage II across the country for all four wheelers
- Introduction of Bharat Stage II across the country for 2& 3 wheelers
- Introduction of Bharat Stage III norms for 4 wheelers in the 11 major cities
- Introduction of several safety regulations including lamps, bulbs, interior fittings, Head Lamp leveling devices, etc;
- Introduction of tighter Noise Norms in line with ECE norms

SIAM proactively worked with Testing Agencies as well as the Central & State Governments to ensure smooth implementation of new regulations by addressing the issues relating to certification and registration of vehicles.

## Technical Agenda

BHARAT STAGE III  
EMISSION NORMS WERE  
IMPLEMENTED IN  
SELECT CITIES FROM  
APRIL 1, 2005 AND  
BHARAT STAGE II WAS  
IMPLEMENTED FOR THE  
REST OF THE COUNTRY.

### Bharat Stage II and Bharat Stage III Emission Norms

*New Emission Norms with effect from 1<sup>st</sup> April 2005*

S. No.	Vehicles Category	Norms	Applicable Areas
1.	All Four Wheelers	Bharat Stage III	Eleven Cities (NCR, Mumbai, Chennai, Bangalore, Hyderabad, Kolkata, including Secunderabad, Ahmedabad, Pune, Surat, Kanpur and Agra)
2.	All Four Wheelers	Bharat Stage II	Rest of the Country*
3.	All Two and Three Wheelers	Bharat Stage II	Entire Country*

\* Delayed implementation of Bharat Stage II in Seven States for Diesel Vehicles (Rajasthan, Uttaranchal, Western Uttar Pradesh, Madhya Pradesh, Jammu & Kashmir, Punjab and Himachal Pradesh)

However, due to the non-availability of Bharat Stage II diesel fuel in some Northern States the Government revised the implementation schedule of Bharat Stage II diesel vehicles for Northern States as follows: Rajasthan, (1<sup>st</sup> June 2005) Uttaranchal and Western Uttar Pradesh, (1<sup>st</sup> July 2005), Madhya Pradesh, (1<sup>st</sup> August 2005) Jammu & Kashmir, Punjab and Himachal Pradesh (1<sup>st</sup> October 2005)

### Interactions with Environment Pollution (Prevention & Control) Authority (EPCA)

SIAM made several representations to the EPCA during the year 2004-05 on issues like Introduction of Lambda measurement for Petrol Cars, Use of CNG in Private Cars and Light Goods Vehicles for Delhi and Safety & Maintenance of CNG buses in Delhi.

Arising out of the deliberations at the EPCA meetings, Car Manufacturers and the Transport Department, Government of NCT Delhi started pilot trials for measuring lambda values Gasoline Cars fitted with Three Way Catalytic Converters.

Based on discussions on Safety and Maintenance of CNG buses, Delhi Transport Corporation is considering to set up leakage testing facilities for all CNG buses and minibuses at select DTC depots.

## Technical Agenda

SIAM PARTICIPATED IN  
VARIOUS FORA  
DISCUSSING  
HARMONISATION OF  
REGULATIONS.

### Harmonization of Technical Regulations

SIAM had been actively participating in the WP.29 meetings at Geneva to ensure that the India specific needs were taken into account while formulating global automotive regulations. SIAM had been focusing on -

- Active participation of Indian Industry in WP.29 activities.
- India's accession to 1998 Agreement at the earliest.
- SIAM's membership of OICA and IMMA.
- Active involvement in FAMI activities.
- Pursuing the setting up of an organization to provide institutional framework for harmonisation activities in India.

With an objective of involving all stakeholders in harmonization activities and enhancing awareness regarding implications of 1958 and 1998 Agreements of UNECE, SIAM organized a Workshop on Impact of Harmonization of Regulations on Automobile Industry and Technical Challenges in New Delhi, where experts from India and Japan exchanged views on implication of harmonization of regulations for automotive industry.



L to R - Mr A S Lakra, Director, CIRT, Mr R C Sethi, Director, VRDE, Mr B Bhanot, Director, ARAI, Mr T Akiba, Executive Director, JASIC, Mr S Sandilya, Treasurer, SIAM, Mr Alok Rawat Joint Secretary, MoSRTH, Mr Pritam Singh, Director, MoH&PE, Mr Deep Kapuria, President, ACMA, Mr R Devarajan, Chairman, SIAM CMVR, Regulations and Safety Technical Committee.

## Technical Agenda

THE DRIVING PATTERNS  
IN ASIAN COUNTRIES  
WERE RAISED IN WP29  
MEETING IN GENEVA.  
WP 29 AGREED TO LOOK  
INTO THE CONCERNs IN  
THE WORLD  
MOTORCYCLE TESTING  
CYCLE.

### Worldwide Harmonized Motorcycles Emission Testing Certification Procedure (WMTC)

Under the UN WP.29 (World Forum for Harmonisation of Vehicle Regulations) the Working Party on Pollution and Energy (GRPE) decided to develop WMTC, with an objective that such procedure would be representative of worldwide on-road vehicle operation, able to provide highest possible level of efficiency in controlling on-road emissions and corresponding to state of art testing, sampling measurement technology, etc.

India observed on studying the test cycle that certain parts of the driving cycle cannot be negotiated by Indian vehicles as WMTC did not represent Indian Driving Condition.

India raised its concerns at the WP.29 meetings in Geneva. India being the second largest producer of motorcycles in the world, it was agreed that India's observations should be reviewed by the WMTC group. Several studies are presently being undertaken for inclusion of a new or modified cycle in WMTC.

*Mr M N Muralikrishna,  
Advisor- Technical, TVS  
Motor Company making a  
presentation at WMTC  
informal group meeting at  
Brussels on 27 October 2004.*



SIAM engaged Mr Heinz Steven, Head of the Noise Measurement Technology, Modeling Division, Institute for Vehicle Technology, RWTUV Fahrzeug GmbH an expert in WMTC development for studying the Indian Driving Cycle Data and suggest modifications in WMTC to take into consideration India's concern.

Mr Steven visited India 25<sup>th</sup> - 27<sup>th</sup> July 2005 to understand the Indian field conditions and held discussions with all the stakeholders on the future course of the study.

## Technical Agenda

SIAM IS INVOLVED IN  
DEVELOPING  
AWARENESS IN  
DIFFERENT PARTS OF  
INDIA ON USE OF  
COUNTERFEIT PARTS  
IN AUTOMOTIVE  
SECTOR.

### International Motorcycle Manufacturers Association (IMMA) membership

SIAM had a series of meetings with JAMA, FAMI & IMMA Secretariat regarding SIAM's membership of IMMA. It was decided that SIAM would seek independent membership of IMMA as and when FAMI becomes a member of IMMA, SIAM would review its membership of IMMA.

*FAMI meeting with SIAM.*



### SIAM Task Force on Anti- Counterfeiting

SIAM has set up a Task Force on Anti Counterfeiting under the Chairmanship of Mr R K Bhurat, VP - Spares (SBU), Mahindra & Mahindra Ltd. The objective is to combat the increasing sales of counterfeit spares in the automotive sector. According to the data collected by SIAM, it has been estimated that two-wheeler industry faced losses of upto 35% - 40% per year due to counterfeit spares products. The data with regard to other category of vehicles is also being collected by SIAM.



Mr Subhash Nagpal, Manager- Parts, HMSI,  
Mr M Arvindakshan, Brand Manager, MICO,  
Mr R Pendse, Legal Head, DaimlerChrysler-  
India, Mr N N Prasad, Joint Secretary,  
MoC&I, Mr R K Ghosh General Manager, Tata  
Motors at the Anti Counterfeiting  
Workshop in New Delhi.

## Technical Agenda

IN THE FAMI MEETINGS,  
ACCESSION TO IMMA IS  
UNDER DISCUSSION.

The Task Force has started Awareness Campaign involving all stakeholders like the police, judiciary, excise & custom departments and others by organising regional and sub-regional workshops.

*L to R - Mr R A Tewari, Trade Mark Industries, Chennai, Mr R V D'Souza, Joint Commissioner- Transport, Govt. of Karnataka, Mr R Bhurat, Chairman SIAM Task Force on Anti Counterfeiting, Mr R Periasami, Additional Commissioner Service Customs and Central Excise, Bangalore and Mr Channabasappa, Controller of Store and Purchase, BMTC at the SIAM Workshop on Anti Counterfeiting.*



SIAM has also assigned a study to IMRB on "Sizing the Counterfeit market for Auto Components in India." The objective of the study would be to assess the market size of counterfeit products in the automotive sector. The final report on the study would be completed by January 2006.

### Federation of Asian Motorcycle Industries (FAMI) meetings

SIAM hosted the 5<sup>th</sup> Research & Planning Committee Meeting, the 10<sup>th</sup> FAMI Technical Committee Meeting and the 11<sup>th</sup> Management Committee Meetings of FAMI at Bangalore from 27<sup>th</sup> September - 1<sup>st</sup> October 2004.



Delegates from Japan, Indonesia, India, Malaysia, Philippines, Singapore, Thailand and Taiwan at the FAMI meeting hosted in Bangalore, India in September 2004.

More than 80 delegates from the Motorcycle Industry in Thailand, Japan, Indonesia, Philippines, Taiwan, Singapore, Malaysia and India deliberated on issues pertaining to the motorcycle industry in the Asian region.

## Technical Agenda

SIAM EMPHASISED THE NEED OF UNIFORM STATE MOTOR VEHICLE RULES ACROSS THE COUNTRY DURING THE 8<sup>TH</sup> NATIONAL ROAD SAFETY COUNCIL MEETING.

The key issues which were discussed were WMTC, harmonization of standards, Road Safety Awareness and reporting of statistical data.

Dr Nicholas Rogers & Mr Andre Meganck from International Motorcycle Manufacturers Association (IMMA) participated as Observers. SIAM also participated in the FAMI meeting in Taiwan during March 2005.

### Uniform State Motor Vehicles Rules

At the 8<sup>th</sup> National Road Safety Council Meeting chaired by the Union Minister for Shipping, Road Transport & Highways, President, SIAM presented the observations emerging from a comprehensive study of State Motor Vehicles Rules that brought out the differences in the various state motor vehicle rules and their impact on the Indian Automotive Sector. Subsequently, SIAM also submitted a report to Secretary, Department of Road Transport & Highways. Accepting the SIAM proposal in-principle, Department of Road Transport & Highways entrusted SIAM the task of recommending uniform prescriptions with regard to construction equipment and maintenance of vehicles to be adopted by all states of the country. The report is being finalized.



A view of the participants at 8<sup>th</sup> National Road Safety Council at Vigyan Bhawan, New Delhi.

### National Hydrogen Energy Board

SIAM is a member of the National Hydrogen Board. Dr V Sumantran led the SIAM efforts under the Hydrogen Board.

The Expert Group presented three project proposals to the National Hydrogen Energy Board. The Board is headed by Hon'ble Minister for Non Conventional Energy Sources.

## Technical Agenda

SIAM PREPARED ROAD  
MAP FOR USE OF  
HYDROGEN ENERGY IN  
THE TRANSPORT SECTOR  
FOR NATIONAL  
HYDROGEN ENERGY  
BOARD.

The three proposals suggested are on Hydrogen mixed with CNG, Hydrogen in IC engines and Fuel Cell vehicle development. An independent study on the techno economic feasibility of hydrogen vehicles was commissioned and submitted to the Board.

SIAM presented its vision of running 1000 vehicles on hydrogen by 2008-2009 and 5% vehicle fleet to be on hydrogen by 2020.

L - R - Mr Sunil Kant Munjal, President, CII, Mr Anand Mahindra, M&M Ltd, Mr Ratan Tata, Tata Motors, Mr A M Gokhale, Secretary, MNES, Hon'ble Minister Mr Vilas Muttewar, MNES, Dr S K Chopra, Adviser, MNES at the National Hydrogen Board meeting.



### Meeting with Mr Kapil Sibal, Minister of Science & Technology, Government of India

SIAM delegation led by Mr Jagdish Khattar, President SIAM & Managing Director, Maruti Udyog Ltd, Mr Venu Srinivasan, Chairman & Managing Director, TVS Motor Co Ltd, Dr V Sumantran, Executive Director, (PCBU & ERC), Tata Motors and Dr Pawan Goenka, Chief Operating Officer, Mahindra & Mahindra met Mr Kapil Sibal, Minister of Science & Technology on 2<sup>nd</sup> September 2004. Also present were Dr S K Sikka, Scientific Secretary, Office of Principal Scientific Advisor and Mr Anand Patwardan, Executive Director, TIFAC.

SIAM appraised the Minister of various initiatives to promote R&D activities in the automotive sector and expressed the need to bring all such initiatives under one umbrella. Mr Sibal assured industry of support by way of funding and other mechanisms which would lead to Industry-Academia-Government joint cooperative programmes.

## Technical Agenda

SIAM HAS BEEN ABLE TO PERSUADE MoEF TO TAKE OWNERSHIP OF ICAP, SO THAT THE FINDINGS OF THE STUDY BECOME CREDIBLE AND CAN BE USED FOR REVIEW OF AUTO OIL POLICY IN 2006.

SIAM was also invited for a meeting held under the Chairmanship of Mr Kapil Sibal, Minister of Science & Technology and Ocean Development (MoST&OD) to discuss fiscal incentives to promote R & D and Innovation by Industry for inclusion in the Pre- Budget 2005-06 proposal of MoST&OD to the Finance Minister. Dr R A Mashelkar, Director General, CSIR was also present at the meeting. SIAM team led by Mr S Sandilya, Treasurer SIAM and CEO Eicher Group made the following suggestions which were taken note of by the Minister:

- Extension of R&D benefit under Income Tax Act
- Proposal for expansion and upgradation of automotive testing & certification facilities in India
- Benefit of weighted deduction for contributions made by corporate sector to Engineering institutions
- Incentivising projects undertaken by Core Group on Automotive Research (CAR)

Mr Sibal also announced the formation of a small group comprising of representatives from DSIR, educational institutions automotive industry and other industry sectors to evolve mechanisms for incentivising industry to contribute towards promotion of Engineering Institutions.

### Indian Clean Air Programme (ICAP)

The ICAP programme was initiated by the Oil Industry for emission factor determination and air quality monitoring in 6 mega cities.

SIAM when asked to join ICAP, had recommended that the ICAP should be led by the Government of India. The Ministry of Environment & Forests (MoEF) agreed to lead the study and have formed a Steering Committee under the Chairmanship of Secretary, MoEF and a Technical Committee under the Chairman, CPCB.

The reconstituted Technical Committee met on 30<sup>th</sup> May 2005 to discuss a common methodology and formulation of the Air pollution and Source Apportionment study with the redefined objective to find out the contribution of different sources to Air Pollution.

## Technical Agenda

SIAM STUDY ON  
RECYCLING WOULD  
PROVIDE THE  
NECESSARY  
INFORMATION FOR  
FORMULATING POLICIES  
FOR FLEET  
MODERNISATION IN  
INDIA.

SIAM opined that the programme needed to address the concerns of the automobile industry and additional tests were required to be undertaken to make the programme more meaningful. These additional tests would be identified and incorporated in a proposal for submission to Ministry of Heavy Industries and Public Enterprises (MoH&PE) for possible funding. The ICAP study would be modified to incorporate the suggestions in the existing scope of work.

### **Additional Levy on Diesel Non Commercial Vehicles in Delhi**

A team of SIAM members met Mrs Sheila Dixit, Hon'ble Chief Minister of Delhi on 13<sup>th</sup> October 2004 to share the industry's concerns with respect to proposed additional levy of 2% on private non-transport diesel vehicles. Responding to the concerns raised by Chief Minister about the deteriorating Air Quality of Delhi, vehicle manufacturers pledged their commitment to address the pollution from in-use vehicles.

As part of this initiative SIAM commissioned a study on traffic patterns and air quality at selected locations in New Delhi. The study was carried out by CRRI.

### **Teletrans 2004**

SIAM in association with CII, ACMA, iiiT-B and SAE India organised Teletrans 2004 from 6<sup>th</sup> - 7<sup>th</sup> September 2004 at Chennai. The conference was inaugurated by Mr Dayanidhi Maran, Union Minister for Communications and Information Technology. IBM, Eicher, Tata Motors, Surveyor General of India, TVS Harita, TCS and other leading telematics solution providers presented papers on in-vehicle telematics applications.

The issues identified during the conference included common emergency on highways and delicensing of maps for various purposes including navigational tools. A specific proposal to develop a telematics application in Tamil Nadu was drawn up and submitted to Government.

### **Vehicle Recycling**

End of life regulations were being increasingly discussed at international fora. SIAM has assigned a study to ICRA on "Reviewing the status of vehicle scrapping in India". The objective is to understand the current practices of vehicles scrapage in India at the end of their useful lives. The final report of the study would be completed by November 2005.

## Technical Agenda

SIAM STUDY ON  
RECYCLING WOULD  
PROVIDE THE  
NECESSARY  
INFORMATION FOR  
FORMULATING POLICIES  
FOR FLEET  
MODERNISATION IN  
INDIA.

SIAM opined that the programme needed to address the concerns of the automobile industry and additional tests were required to be undertaken to make the programme more meaningful. These additional tests would be identified and incorporated in a proposal for submission to Ministry of Heavy Industries and Public Enterprises (MoH&PE) for possible funding. The ICAP study would be modified to incorporate the suggestions in the existing scope of work.

### **Additional Levy on Diesel Non Commercial Vehicles in Delhi**

A team of SIAM members met Mrs Sheila Dixit, Hon'ble Chief Minister of Delhi on 13<sup>th</sup> October 2004 to share the industry's concerns with respect to proposed additional levy of 2% on private non-transport diesel vehicles. Responding to the concerns raised by Chief Minister about the deteriorating Air Quality of Delhi, vehicle manufacturers pledged their commitment to address the pollution from in-use vehicles.

As part of this initiative SIAM commissioned a study on traffic patterns and air quality at selected locations in New Delhi. The study was carried out by CRRI.

### **Teletrans 2004**

SIAM in association with CII, ACMA, iiiT-B and SAE India organised Teletrans 2004 from 6<sup>th</sup> - 7<sup>th</sup> September 2004 at Chennai. The conference was inaugurated by Mr Dayanidhi Maran, Union Minister for Communications and Information Technology. IBM, Eicher, Tata Motors, Surveyor General of India, TVS Harita, TCS and other leading telematics solution providers presented papers on in-vehicle telematics applications.

The issues identified during the conference included common emergency on highways and delicensing of maps for various purposes including navigational tools. A specific proposal to develop a telematics application in Tamil Nadu was drawn up and submitted to Government.

### **Vehicle Recycling**

End of life regulations were being increasingly discussed at international fora. SIAM has assigned a study to ICRA on " Reviewing the status of vehicle scrapping in India". The objective is to understand the current practices of vehicles scrapage in India at the end of their useful lives. The final report of the study would be completed by November 2005.

## Technical Agenda

JAPAN SOCIETY OF  
AUTOMOTIVE  
ENGINEERS (JSAE)  
REQUESTED INDIA TO  
PARTICIPATE IN ISO  
STANDARD  
FORMULATION  
PROCESS.

### Presentations made to Secretary, Ministry of Shipping, Road Transport & Highways (MoSRT&H)

A team of SIAM members led by Mr Jagdish Khattar, President, SIAM met Mr Dhanendra Kumar, Secretary, MoSRT&H and other officials from the Dept of Road Transport & Highways and National informatics Centre on 23 February 2005. SIAM made presentations on the following :

- E-Governance in the Transportation sector, Networking of RTO's
- National Road Safety Board and
- Uniform State Motor Vehicle Rules

After the presentations and deliberations, Secretary, MoSRT&H advised that two Task Forces would be constituted under Joint Secretary, MoSRT&H to initiate further deliberations on the proposals for IT infrastructure for end to end vehicle registration and Uniform State Motor Vehicle Rules.

### Seminar on ISO/ TC 22 (Road Vehicles) with JSAE

Society of Automotive Engineers of Japan, Inc. (JSAE) along with SIAM organised a seminar on ISO/ TC 22 (Road Vehicles) on 31st January 2005 at New Delhi. The objective of the seminar was to share the activities and research that are being undertaken by ISO to standardize testing procedures for road vehicles and its components. It also highlighted the role played in complimenting the work done by WP.29 and requested India to actively participate in the standard formulation process of ISO.



SIAM members & other delegates  
with the JSAE team from Japan.

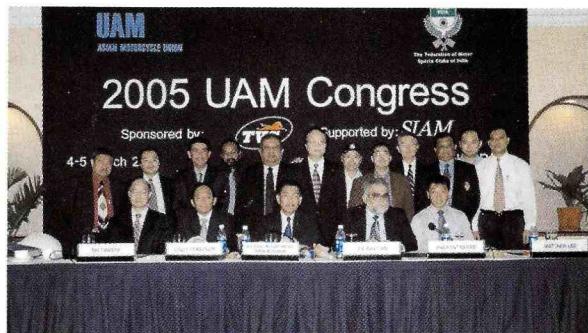
## Technical Agenda

A STUDY ON LOADING PATTERN OF THREE WHEELERS WAS CARRIED OUT BY SIAM IN CLOSE COOPERATION WITH ALL THREE WHEELER MANUFACTURERS.

### UAM Congress, 4<sup>th</sup> and 5<sup>th</sup> March 2005, New Delhi

Asian Motorcycle Union (UAM) is the governing body for all motorcycle sports in Asia. It comprises of 18 member countries. UAM is affiliated to the Federation International de Motorcyclisme (FIM). Its' objective is to promote and develop all motorcycle related sports in Asia and to standardise the racing related activities. UAM Congress was organised by FMSCI (Federation of Motor-sports Club of India) & SIAM on 4<sup>th</sup> - 5<sup>th</sup> March 2005 at New Delhi. SIAM as a member of FMSCI coordinated the meeting.

2005 UAM Congress Team at New Delhi.



### Study on loading pattern for diesel three wheelers

SIAM with active participation of Three Wheeler Manufacturers conducted a study to collect data on diesel three wheelers to find out their average occupancy during various operating conditions and compare the throttle opening percentage during operation and emission testing with reference mass. The study was carried out in the cities of Hyderabad, Pune, Dehradun & Kanpur. About 125 industry personnel were deployed for this exercise and close to 100,000 observations were made in the four cities including 82,204 Passenger vehicles observations and 17,285 goods vehicles observations.

A delegation of CEOs and Technical Heads of Three Wheeler Manufacturers led by Mr Madhur Bajaj, Vice Chairman Bajaj Auto & Vice President SIAM met the Expert Committee constituted by Ministry of Shipping, Road Transport & Highways under the chairmanship of Mr S Sundar, Distinguished Fellow, TERI to share the findings of the study conducted by SIAM. This committee is currently reviewing the Reference Mass for Emission Testing of Three Wheelers on instructions of Ministry of Road Transport & Highways at the request of SIAM. SIAM has maintained that the current reference mass for three wheelers should be continued in view of the findings of the study presented by SIAM.

## Technical Agenda

SIAM TOOK UP  
MEMBER CAUSES IN  
DIFFERENT STATES  
AND RESOLVED THEM  
SATISFACTORILY.

### Registration of Vehicles in Maharashtra

Mr Madhur Bajaj, Vice President, SIAM led a small team of SIAM members for a meeting with Mr Prem Kumar, Chief Secretary, Government of Maharashtra on 11<sup>th</sup> April 2005 to explain Industry's concerns with regard to non-registration of certain categories of private vehicles (7/8/9 seaters ).

After the deliberations it was assured that registrations would commence and a request made to SIAM to discuss with Transport Department possible solution for addressing the Department's concern with regard to safety in these vehicles.

### Implementation of BS II Norms in Rajasthan

SIAM made a representation to the Transport Department, Government of Rajasthan requesting for an appropriate interpretation of the notification postponing of implementation of BS II norms by Government of India. The Rajasthan Government clarified that Bharat Stage I Diesel vehicles manufactured till 31<sup>st</sup> May 2005 can be registered in Rajasthan after 1<sup>st</sup> June 2005. The Transport Department however, requested manufacturers not to divert pre-1<sup>st</sup> June 2005 manufactured Bharat Stage I vehicles from other States to Rajasthan, but clear the existing stock of Bharat Stage I diesel vehicles presently lying in Rajasthan.

## Society & SIAM : SIAM Outreach Programmes

FREE VEHICLE  
INSPECTION CAMPS  
HAVE BEEN ORGANISED  
BY SIAM.

In 2004- 2005 many initiatives were taken up by the Society for Automotive Fitness and Environment with active support of SIAM member companies.

### Inspection & Maintenance Camps

SIAM-SAFE organized Free Pollution Check Camps in Delhi and Kolkata.

SIAM along with Bajaj Auto Ltd organised Free Computerised Pollution Check Campaigns for Three Wheelers in September & October 2004 at New Delhi. Approximately 500 three wheelers were checked during the programme. The programme also included training of drivers and their health check-up.

At Kolkata approximately 200 vehicles were checked over a period of three days from 16<sup>th</sup> to 18<sup>th</sup> February 2005.

*Dignitaries during the inauguration of "Swastha Vahan- Swastha Chalak" at New Delhi.*



### Orientation & Training Programme for PUC Technicians

Following the initiatives taken by SAFE for Computerising of the Emission Checking process, training programmes for technicians and owners of PUC System, had conducted in Ahmedabad, Indore, Hyderabad and Chennai. Special training programme were organised as the new norms for in-use emission check for vehicles had been introduced in October 2004. Participants were educated on the New In-Use vehicles norms as well as measurement of additional pollutants and changes in test procedure.

The training programmes were possible through active support from The Automotive Research Association of India (ARAI), Western India Automobile Association (WIAA)

## Society & SIAM : SIAM Outreach Programmes

TRAINING  
PROGRAMMES WERE  
ORGANISED IN SOME  
STATES FOR EMISSION  
TEST CENTRES.

and the equipment manufacturers viz.: AVL, Netel, Coral and Manatec. Further discussions were underway among the stakeholders to measure additional criteria like lambda, while checking emissions from new gasoline driven cars and field studies were being conducted.



Dr A K Jindal, Eicher Motors,  
Mr M S D Kanodia, Assistant RTO,  
Transport Department, Indore and  
Mr Ashok Das, Commissioner, Indore  
at the inaugural programme.

### Interaction with State Governments

Meetings were held in Agra, Lucknow, Hyderabad, Chennai, Indore, Mumbai, Kolkata and Delhi with active participation from Transport Departments, Environment Department, Vehicle manufacturers and other stake holders to discuss issues related to emission control from automobiles in these cities.

Mr Amar Singh, Chairman of UP Development Council had expressed willingness to work closely with the automotive industry, during one of the round table meetings organized in Lucknow.

L to R Mr R M Kapoor, Regional Manager, Bajaj Auto Ltd, Mr K C Girotra, GM (Lucknow Works & FBB), Tata Motors Ltd, Hon'ble Revenue Minister Mr Ambika Chowdhary, Hon'ble Transport Minister Mr Naresh Agarwal, Hon'ble Chairman UP Development Council, Mr Amar Singh, Hon'ble Minister of State (Transport) Mr Rajinder S Rana, Government of UP, Mr Dilip Chenoy, DG, SIAM & Mr Ramesh Puri, EC member, ACMA & CMD Subros Ltd at the inauguration of Roundtable at Lucknow.



## Society & SIAM : SIAM Outreach Programmes

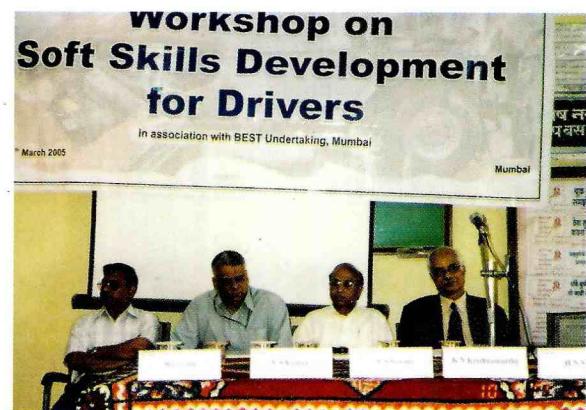
DRIVER TRAINING, ROAD SAFETY PAINTING COMPETITION & AWARENESS PROGRAMMES WERE ORGANISED.

### Driver Training Programme

Soft skill training was organized in partnership with Indian Institute of Counseling at Shillong, Delhi and Mumbai.

A special initiative had been launched with member companies to train drivers employed by them both directly and indirectly.

*Mr K N Krishnamurthy, President , SAFE with BEST officials in the inauguration of the Mumbai Workshop.*



### Road Safety Awareness Programmes

SAFE as part of its continued commitment to working with school children, organised a mega awareness programme for students in Shillong through a Road Safety March, Painting and Skit competitions. SAFE also organized a two month long Road Safety Painting Competition in Delhi.

SAFE has received considerable support from Delhi Traffic Police and Govan Institute in Coimbatore apart from members on road safety initiatives.



Winners of the Inter School Road Safety Painting Competition held at New Delhi.

## Society & SIAM : SIAM Outreach Programmes

ONE OF THE LARGEST CONFERENCE IN ASIA ON ENVIRONMENTAL ISSUES WAS ORGANISED IN INDIA.

### Better Air Quality (BAQ) 2004

SIAM along with Clean Air Initiatives for Asia (CAI- Asia) and the Ministry of Environment & Forests, Government of India organised the Better Air Quality Workshop 2004 from 6<sup>th</sup> -8<sup>th</sup> December 2004 at Agra. The workshop was inaugurated by Mr Namo Narain Meena, Hon'ble Minister of State for Environment & Forest, Government of India. Nearly 700 delegates from 30 countries participated in the programme.



Mr Namo Narain Meena, Hon'ble Minister of State for Environment & Forest, Government of India Inaugurating Better Air Quality 2004 at Agra on 6<sup>th</sup> December 2004 in the presence of dignitaries from different countries.

### SIAM urges Government to set up a National Road Safety Board

As a follow up to the International Conference on Safe Transport Solutions: Regulations and Practices organised by SIAM in November 2003, SIAM presented a proposal for the setting up a National Road Safety Board (NRSB) to the Ministry of Shipping, Road Transport & Highways.

Given the increasing incidence of road traffic injuries, it was important to recognize accidents and fatalities as a Public Health Issue. The need for a lead agency for road safety had also been identified as an important requirement in several studies and deliberations in both national and international fora.

Mr Jagdish Khattar, President SIAM, Mr S Sandilya, Treasurer SIAM & Mr Dilip Chenoy, Director General, SIAM at the press briefing organized during Road Safety Week in January 2005.



## Society & SIAM : SIAM Outreach Programmes

### SIAM ADVOCATES SETTING UP OF INDEPENDENT ROAD SAFETY BOARD.

In this context, SIAM undertook a study of road safety organizations in Sweden, New Zealand, USA and the UK. The National Road Safety Board as conceptualized by SIAM would be an independent body of professionals drawn from among road design experts, engineers, NGOs, medical and automotive industry experts.

The proposed NRSB would have the following functions:

- Setting goals for reducing deaths, injuries and economic losses
- Comprehensive investigation and research of accidents from the standpoint of driver behaviour vehicle factors and traffic environment
- Coordination among states and developing best practice compendium
- Nodal agency for statistics and analysis of traffic records
- International Cooperation
- Proposals to Road Safety Council on measures to reduce accidents.

The Ministry had announced its intention of setting up a Directorate of Road Safety & Traffic Management however SIAM had proposed that a full Board be considered in its place.

### SAFE Annual Convention 2004-05

SAFE had taken a significant step by reformatting its Annual Convention on 4<sup>th</sup> August 2005 in New Delhi with active participation from a cross-section of stakeholders including vehicle manufacturers, component suppliers, Equipment manufacturers, Test Agencies, NGOs, Central and State Government officials. Dr. Pradipto Ghosh, Secretary, Ministry of Environment and Forests was the Chief Guest and Mr. Qamar Ahmed, Joint Commissioner, Delhi Traffic Police gave away prizes to the winners of the inter school painting competition.

*Dr Pradipto Ghosh, Secretary, MoEF at the inauguration of SAFE Annual Convention 2005 at New Delhi.*



## Interaction with State Governments

Interaction with	Issues
Chief Secretary, Government of NCT of Delhi, Minister for Transport, Minister of Finance, Chief Minister, Government of NCT of Delhi	Government of NCT of Delhi Budget 2004-2005
West Bengal- Transport Department Officials Centres	Networking of Emission Testing in Kolkata
Transport Department and Education Department, Government of Meghalaya	Road Safety Awareness Programme
Transport and Environment Departments, Government of Andhra Pradesh	Integrated Approach to Vehicular Pollution Control
Chief Minister of Delhi	Proposed additional levy of 2% on private non transport diesel vehicles
Transport and Environment Departments, Government of Tamil Nadu	Integrated Approach to Vehicular Pollution Control
Delhi Traffic Police and Ministry of Heavy Industries	Driver Training Programme
West Bengal - Principal Secretary Transport Department and Member Secretary, West Bengal Pollution Control Board	Raising awareness among vehicle users on the new in-use vehicles norms
BEST officials, Government of Maharashtra	Driver Training Programme
Minister of State (Transport), Government of Uttar Pradesh	Action Plan for UP
Commissioner, Transport and Traffic Police Department, Government of Madhya Pradesh	Awareness programme at Indore
Transport Commissioner, Government of Karnataka	Notification on fitment of speed governors in select categories of transport vehicles
Transport Commissioner, Government of Maharashtra	Upgradation of taxi services in Mumbai
Transport Department at Jaipur, Government of Rajasthan	Introduction of Bharat Stage II Emission Regulation in Rajasthan
Principal Secretary and Transport Commissioner, Govt. of NCT of Delhi closed loop catalytic converters.	Lambda measurement for gasoline vehicles fitted with 3 way
Andhra Pradesh Tourism Development Corporation (APTDC)	The prospects of introducing Electric Three Wheelers in Tourist Centres of Andhra Pradesh

## International Visits and Delegations

### World Fuels Conference - Asia's perspective - 2004 , HARTS, Singapore (8<sup>th</sup> - 10<sup>th</sup> November 2004)

The Conference attracted presentations & delegates from across the world and covered topics covering availability, production and fuel quality scenarios both current and for the next decade. SIAM made a presentation on the Indian Industry perspective highlighting the Drivers & Fuel Quality concerns.

### International Conference on Renewable Hydrogen Economy (7<sup>th</sup> - 10<sup>th</sup> Dec 2004)

SIAM participated in the "International Conference on Renewable Hydrogen Economy" organized by USAID in association with the Department of Energy, Philippines in conjunction with the National Energy Week 2004 of the Philippines during 7<sup>th</sup> - 10<sup>th</sup> December 2004.

*Delegation from India and Pakistan at International Conference on Renewable Hydrogen Economy, Manila.*



Participants from more than 20 countries both from developed and developing countries participated in this conference. The Indian delegation comprised of representatives from Bajaj Auto, Mahindra & Mahindra, Tata Motors, IIT Madras, IIT Delhi, IOC (R&D), RV College, NTPC and SIAM.

The conference highlighted the energy scenario of the world with focus on the use of renewable energy for both the transport and power application.

### Round Table on Renewable Hydrogen Economy (10<sup>th</sup> December 2004)

SIAM participated in the Round Table on Renewable hydrogen economy on 10<sup>th</sup> December 2004 at the Asian Development Bank (ADB) headquarters. The emphasis of the deliberation was on the role played by multi-lateral funding organisations like ADB in promoting use of renewable sources of energy in the developing countries. Mr Khalid Rahman, Deputy Director General, Regional and Sustainable Development Department, ADB assured that ADB will support the initiatives towards renewable hydrogen economy in the developing countries.

## International Visits and Delegations

### APEC AD Steering Committee Meeting

SIAM attended the 13<sup>th</sup> Steering Committee of APEC Automotive Dialogue as Guest in Taipei from 3<sup>rd</sup> - 5<sup>th</sup> November 2004. The meeting was attended by representatives from Australia, Indonesia, Japan, Korea, Malaysia, Philippines, Chinese Taipei, Thailand, and the United States.



APEC Automotive Dialogue meeting in progress.

Some of the important issues discussed in the meeting were:

1. The Harmonisation Working Group which recommended that ASEAN nations should sign UN ECE WP29 1958 agreement, made a presentation on road safety in the APEC region. The members decided to hold a panel discussion at the 2005 Automotive Dialogue meeting in Manila and a high level APEC summit on road safety in future.
2. The meeting also discussed a model for targets and schedule of automotive emission regulation and fuel property improvement in APEC region with clear implementation deadlines till 2010.
3. Following up on Beijing Auto Dialogue on the importance of Intellectual Property Rights (IPR), a new IPR Working Group was established. The Working Group would identify automotive IP protection best practices in APEC region and compile a paper that would serve as a guide for all APEC economies.
4. In view of the large number of preferential trade agreements amongst various APEC economies, a group of panellists representing both government and industry would present a comprehensive paper at the next Dialogue. The Group agreed to the establishment of an APEC Auto Dialogue panel of experts on Auto Rules of Origin to serve as a resource to APEC Member economies and begin work to develop a recommended model for an automotive RoO for consideration by economies.

## International Visits and Delegations

5. It was also mentioned that the Group of Eight Countries is currently working on an initiative called “The Three R’s” which involved the reuse of materials, reduction of waste and recycling, and that work on used vehicles could be linked to this initiative.
6. The U.S. Government gave an update on developments in the WTO with specific focus on the modalities for non-tariff barriers (NTBs). Members agreed to reduce NTBs through negotiations that had equal importance with the tariff negotiations.

The next meeting of APEC was also attended by SIAM members in Philippines from 19<sup>th</sup> - 22<sup>nd</sup> April 2005



SIAM Delegation in Thailand & Malaysia.

### Indian Automotive Delegation to Thailand and Malaysia (26<sup>th</sup> - 31<sup>st</sup> March 2005)

SIAM took a delegation to Thailand and Malaysia to participate in Automotive Seminars and sign MoU between SIAM and The Thai Automotive Industry Association and SIAM and Automotive Federation of Malaysia respectively.

Apart from visiting Bangkok International Motorshow, the SIAM delegation visited the following plants:

Thailand -	Somboon Casting
	Submit Auto Body (SAB)
	Toyota Pick up Plant
Malaysia -	Proton
	Lotus Design Co

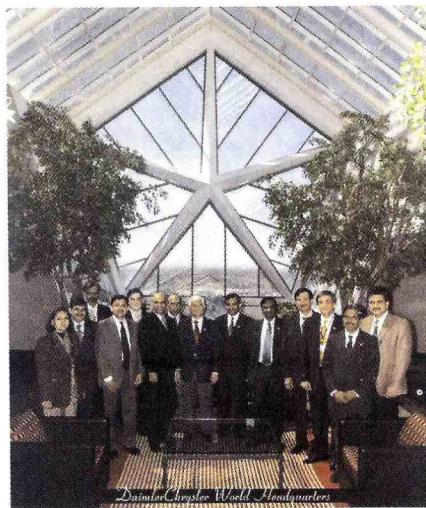
## International Visits and Delegations

### Sessions of World Forum for Harmonisation of Vehicle Regulations (WP.29)

This year SIAM participated in three sessions of WP.29 (viz. 134<sup>th</sup> Session in November 2004, 135<sup>th</sup> Session in March 2005 and 136<sup>th</sup> Session in June 2005), as a member of the Government of India delegation. These meetings were attended by more than 30 countries and a number of NGOs. The platform provided by these meetings, helped India in bringing issues of India's interest to the attention of global automotive community. In light of deliberations at these meetings, SIAM evaluated various facets relating to joining the 1958 / 1998 Agreements on harmonisation of regulations and impressed upon National Standing Committee on WP.29 under Joint Secretary, MoSRT&H to sign the 1998 Agreement.. This would provide India voting rights in its capacity as a member of WP.29 and would also pre-empt the risk of marginalisation of India's viewpoint on various issues.

### SIAM Mission to Detroit, USA (10<sup>th</sup> ~ 16<sup>th</sup> April 2005)

On the occasion of the centenary of the Society of Automobile Engineers (SAE International), a delegation from SIAM & ACMA visited the 2005 SAE World Congress in Detroit, USA.



*SIAM delegation at  
DaimlerChrysler, USA.*

The delegation was led by Mr Jagdish Khattar President, SIAM

The Minister of State for Heavy Industries & Public Enterprises Mr. Sontosh Mohan joined the delegation during the interaction with American Society of Engineers of Indian Origin (ASEIO), India Panel during SAE Congress and at the annual SAE Banquet.

The delegation also visited Daimler Chrysler, Ford, Delphi, Visteon, Lear, DANA & Borg Warner facilities.

## International Visits and Delegations

American Society of Engineers of Indian Origin (ASEIO) organised a separate reception in honour of the visiting delegation. The reception was attended by more than 350 professionals of Indian origin settled in the USA.

*Hon'ble Minister Mr Sontosh Mohan Dev, MoH&PE along with SIAM delegation at BorgWarner, Detroit, USA.*



India & China were given special focus at the 2005 SAE World Congress. There was a panel discussion on the automotive scene in India. The panelists included Dr Pawan Goenka (COO, M&M Ltd), Dr Mahadevan (President, SAE INDIA), Dr Shahed (Ex President SAE International), Dr Haren Gandhi (expert on Emissions at Ford) and other prominent personalities from AVL, Engelhard etc.

### Trade and Poverty Forum (TPF)

The Trade and Poverty Forum, a "Global coalition against poverty" consisting of members from industry and NGOs who can influence global policies. TPF consists of members from six countries - India, South Africa, Brazil, EU, US and Japan. India participated in the TPF meeting from 1<sup>st</sup> -4<sup>th</sup> April 2005 at Japan. The meeting was chaired by Mr S Toyoda, Chairman, Toyota Motor Corporation. The Indian team was led by Mr Rahul Bajaj, Chairman, Bajaj Auto. Mr Dilip Chenoy joined the Indian team on behalf of SIAM.

### SIAM Participation at International Fora

SIAM also presented papers and actively participated in several important symposia and expert group meetings held in other countries on issues pertaining to automotive fuels, safety regulations, emission standards and harmonisation, these included:

- 9<sup>th</sup> JASIC ASIAN- Government - Industry Meeting, Dec 1-3, 2004, Bangkok
- 9<sup>th</sup> Asian Regulation & Certification Expert meeting on Nov 29, 2004
- 11<sup>th</sup> National Clean Cities Conference - Palm Springs, May 1-4, 2005
- Visit to Arizona State University, International institute for sustainability on May 5, 2005.
- Visit to Propane Fueling facilities in Phoenix.

## International Visitors

### **Hon'ble Supreme Court Judges of Thailand**

A delegation comprising of Supreme Court Judges of Thailand visited SIAM to discuss the implementation of CNG programme in Delhi. A detailed overview of the CNG experience was shared by SIAM.

### **International Association for Hydrogen Energy**

Dr T Nejat Veziroglu of Clean Energy Research Institute, University of Miami & President, International Association for Hydrogen Energy visited SIAM.

Dr Veziroglu informed that he was setting up an institute in Turkey to undertake R&D project on hydrogen. This UNIDO International Centre for Hydrogen Energy Technologies is being funded by UN and other multilateral agencies.

The objective of this project was to demonstrate pilot projects with Hydrogen in developing countries. They had identified Libya, Egypt in Africa, Sao Paolo in America, Turkey in Europe and China & India in Asia for such pilot projects.

Dr Veziroglu suggested that he would like India to undertake demonstration project on Hydrogen IC engine project for 3 wheelers and buses and funding for such projects can be generated through multilateral donors.

### **Ambassadors of Federal Republic of Germany, Czech Republic and Republic of Korea, August 2004**

SIAM met the Ambassadors of Federal Republic of Germany, Czech Republic and Republic of Korea, and briefed the Embassy officials about the activities undertaken by SIAM and discussed possible area of cooperation between Indian Auto Industry and the Automotive Industries in their respective countries.

### **Canadian Hydrogen & Fuel Cell Delegation**

SIAM met with the delegation from Canada comprising of Natural Resources Canada, Stuart Energy System, Hydrogenics Corporation, Global Fuel Cell Consultants, FTI International, Quest Air, Saskatchewan Research Council, University de Quebec, and other leading industries from Canada and presented their work in different fields of hydrogen. The delegation subsequently visited SIAM and expressed their willingness in participating in collaborative research with Indian Industry.

## International Visitors

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### **SAE International**

Mr Duane Tiede, President, SAE International accompanied by Mr Ray Morris, Executive Vice President & Secretary, SAE International and Mr Murali Iyer, Manager - Global Affairs, SAE International met the officials from the Auto and Auto component companies.

SIAM also met with Mr. Kevin Perry, Manager for Professional Development, SAE International to discuss possible professional training programmes with SAE International.

### **Ballard Power Systems**

A delegation from Ballard Power Systems met SIAM officials on 8<sup>th</sup> February 2005. During this interaction Ballard expressed their willingness to work with SIAM on the Fuel Cell initiatives.

### **Mr Joesph Bogosian, Deputy Assistant Secretary, US Department of Commerce**

Mr Joesph Bogosian, Deputy Assistant Secretary, US Department of Commerce, visited SIAM in February 2005. Mr Bogosian currently Chairs the Executive Committee of APEC Automotive Dialogue and discussed issues being discussed in APEC. SIAM conveyed to him that the US proposal on NTB in WTO had raised the issue of remanufactured vehicles, which SIAM does not agree to.

### **Association for Overseas Technical Scholarship (AOTS)**

SIAM met AOTS officials for possible programmes for SIAM members regarding quality and productivity development.

These programmes would involve organizing training for SIAM members at AOTS, Japan and bringing experts from Japan based on specific issues as desired by members.

### **Dr Jeffrey Runge, Administrator, National Highway Traffic Safety Administration (NHTSA)**

Dr Runge accompanied by Mr George E Schoener, Dy Assistant Secretary for Transportation Policy, USA, Mr Don L Brown, Science & Environment Officer, Embassy of the United States of America and Sam, Economic Section, Embassy of the United States of America, met SIAM in April 2005.

## International Visitors

Dr Runge and Mr Schoener were members of the delegation led by US Secretary of Transportation, Mr Norman Minneta.



*Dr Jeffrey Runge,  
Administrator, National  
Highway Traffic Safety  
Administration (NHTSA)  
at SIAM office in  
April 2005.*

Dr Runge said that President Bush and his Government saw India as an important partner in the areas of business and trade. NHTSA was keen on sharing best practices in the areas of safety rule making with India and other Asian economies. NHTSA could share with India their experience in facilitating a co-operative approach to rule making for performance based standards which are technology neutral.

He mentioned that NHTSA would like to work with SIAM on issue related to WP-29 and safety initiatives.

### Visit of Japan Trade & Investment Insurance Organization (JTIIo)

A team from Japan Trade & Investment Insurance Organization (JTIIo) visited SIAM in March 2005 to understand the latest developments taking place in the automotive sector.

### Visit of team from Thailand Board of Investment

A high level team led by Assistant Secretary General of Thailand Board of Investment visited SIAM in August 2005. They made a presentation on how Thai automotive industry was growing, areas of opportunities for investment and incentives being offered by them to projects registered with the Board.

## International Visitors

### Visit by companies to understand Indian Automotive Market

Liberalisation of the Indian economy, the huge market, a large pool of technical manpower have made India an attractive destination for global auto majors. Auto majors who were yet to start operations in India had been visiting India to ascertain the possibility and feasibility of starting manufacturing in India and forging alliances with Indian companies. These companies also visited SIAM to get a better understanding of the overall Indian economy, market size, potential, fiscal policies, infrastructure etc.

#### Renault, France (January 2005 & March 2005)

Two high level Executives Missions from Renault, France led by their Vice Presidents for Environment & Industrial Policy and Design & Development visited SIAM to understand the future environmental road maps in Indian and the tastes and preferences of Indian customers.

*Renault Executive Mision  
at SIAM.*



#### Lotus Engineering (February 2005)

A team from Lotus Engineering visited SIAM in February 2005 and explained that they would like to set up operation for styling & design in India.. SIAM informed them about its activities in this area and suggested that they could collaborate with NID to set up facilities in India.

#### NISSAN, June 2005

Mr Eiji Sitou, Nissan Motor Co. Ltd visited SIAM to understand regulations governing motor vehicles safety and emission performance in India.

## International Visitors

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### Proton, Malaysia, June 2005

A high level team from Proton, Malaysia visited SIAM and informed that they were seriously looking at entry in the Indian market. The team had come for a two weeks study tour of India to evaluate pros & cons of setting up a manufacturing base vis-à-vis trade .

### Magna, Canada, July 2005

A high level team from Magna, Canada visited SIAM in July 2005. They informed that they had decided to set up facilities in India for manufacture of different types of automotive systems and wanted to understand the future direction and growth of Indian automotive industry and current investment policies in the industry.

### BMW, August 2005

SIAM participated in a dinner meeting with a high level delegation from BMW. BMW would be setting up an assembly plant in India. The discussions focused on testing and homologation and the proposed FTA with Thailand.

### Taiwanese Delegation

A high level Taiwanese delegation came to India to explore the possibility of Taiwanese Two Wheeler Manufacturers entering into India . Ministry of Commerce & Industry and Ministry of Heavy Industries and Public Enterprises organised a meeting of the delegation with SIAM where investment policy and two wheeler industry in India were discussed.

## Overview of Automobile Industry Performance

### Automobile Industry Performance : 2004 - 05

The year 2004-05 showed encouraging results for all segments and registered a growth of **16%** in number terms and **18.5 %** in value terms. The overall exports had grown by **31%**. The growth could be achieved as the Indian economic parameters were sound, there was improved availability of finance in rural and semi-urban areas and continued infrastructural development.

#### Segment-wise Performance

##### Passenger Vehicles - cross the one million mark

Despite the speculations of slow growth from different quarters because of unprecedented rise in input prices, **passenger vehicles** posted a growth of **18%** in the year 2004-05 over the year 2003-04. Within the passenger vehicle segment, **passenger cars** and **utility vehicles** had grown by **18%** and **20%** respectively while **MPVs** have grown at the rate of over **9%**.

##### Commercial Vehicles - high growth

The performance of the **commercial vehicle segment** during the course of the year was positive. The growth rate of all commercial vehicles during the year 2004-05 was **22%**. **M&HCV segment** has grown by **23%** whereas **LCVs** grew by over **21%**. With improved economic performance and expansion of the national highways and expressways, we also witnessed fleet renewal and rationalisation in the country. This led to increased penetration of multi axle vehicles on our roads. During the year 2004-05 sale of Multi axle vehicles was 77543 whereas in the year 2003-04, 59331 multi axle vehicles were sold. In percentage terms this segment witnessed an increase of **31%**.

##### Two Wheelers production crosses 6 million

**Two Wheeler segment** as a whole during the year 2004-05 grew by over **15%**. Backed by Government's initiative on rural roads and better connectivity with major towns and cities, improved agricultural performance, upward trend of purchasing power in the hands of rural people, the two wheeler industry was able to achieve the record performance of crossing 6 million two wheelers with exact sales standing at 6,208,860 during the year 2004-05. Within the Two-Wheeler segment, the scooters sub-segment has recorded a growth of **4.2%**, Motorcycles with **19%** and Mopeds grew over **4%**.

## Overview of Automobile Industry Performance

### Exports - cross 1 billion \$

The performance of the automobile industry in exports was also encouraging. **Commercial vehicle exports** increased to an all time high of touching 30,000 growing at a rate of 72%. **Passenger vehicle exports** grew by 29% to 166,413 units. The **Two Wheelers** also crossed three hundred thousand mark for the first time clocking around 366,724 numbers and recorded a growth rate of plus 38% over the last year.

### During April-June 2005

The period April - June 2005 witnessed a growth of 15.41%, compared to the same quarter last year.

Within the Passenger Vehicle Segment, the Passenger Cars & Utility Vehicles had grown by 8.24% & 18.29% respectively during the period April - June 2005.

The Commercial vehicle segment however remained more or less flat which could be attributed to switching over from BS I to BS II and BS II to BS III, uncertainty about the availability of requisite fuel, mainly BS II Diesel, in some states and supply constraints of some components.

Two Wheeler Segment as a whole during the 1<sup>st</sup> quarter grew by 17.48% amidst the labour unrest in the months of May and June.

The performance of Automobile Industry in Exports was encouraging. Commercial Vehicle exports increased by 45%. Passenger Vehicle export grew by 9.13% during April - June 2005. The Two Wheelers exports registered a growth of 40.45% over the same period last year.

### Outlook for 2005-06

Automobile Industry outlook for the remaining period of 2005-06 is positive. It was estimated that we should have a healthy growth of sales including exports. Segment wise growth expectations are:

- Passenger Vehicles : 8-12%
- Commercial Vehicles : 9 -12%
- Two Wheelers : 11-13%
- Three Wheelers : 6- 7%

## Overview of Automobile Industry Performance

### Automobile Production Trend

### Automobile Domestic Sales Trend

### Automobile Exports Trend

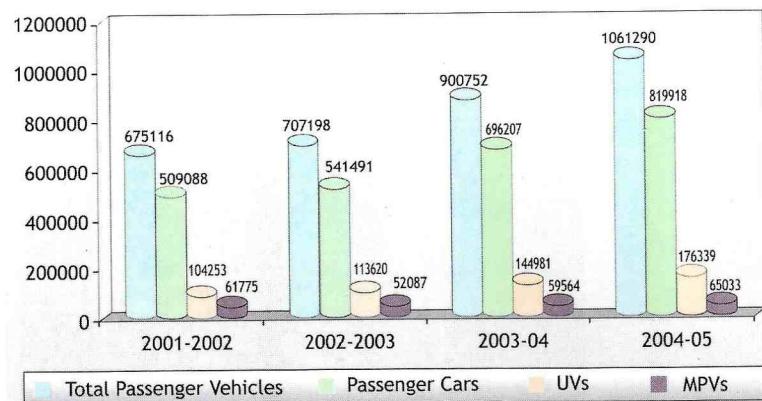
In Numbers						
CATEGORY	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
M & HCVs	112311	87784	96752	120502	166102	211143
LCVs	61213	68922	65756	83195	109122	138890
<b>Total CVs</b>	<b>173524</b>	<b>156706</b>	<b>162508</b>	<b>203697</b>	<b>275224</b>	<b>350033</b>
Passenger Cars	577347	513415	500301	557410	781764	960505
UVs	124308	127519	105667	114479	146103	181778
MPVs	-	-	63751	51441	60673	67371
<b>Total Passenger Vehicles</b>	<b>701655</b>	<b>640934</b>	<b>669719</b>	<b>723330</b>	<b>988540</b>	<b>1209654</b>
Scooters / Scooterettee	1259423	879759	937506	848434	935319	986208
Motorcycles / Step Through	1794078	2183785	2906323	3876175	4355137	5193752
Mopeds	724510	694974	427498	351612	334494	346587
<b>Total Two Wheelers</b>	<b>3778011</b>	<b>3758518</b>	<b>4271327</b>	<b>5076221</b>	<b>5624950</b>	<b>6526547</b>
Three Wheelers	190259	203234	212748	276719	340729	374414
<b>Grand Total</b>	<b>4843449</b>	<b>4759392</b>	<b>5316302</b>	<b>6279967</b>	<b>7229443</b>	<b>8460648</b>
In Numbers						
CATEGORY	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
M & HCVs	106261	81960	89999	115711	161414	198561
LCVs	55350	54625	56672	74971	98931	119877
<b>Total CVs</b>	<b>161611</b>	<b>136585</b>	<b>146671</b>	<b>190682</b>	<b>260345</b>	<b>318438</b>
Passenger Cars	615318	567728	509088	541491	696207	819918
UVs	118323	122832	104253	113620	144981	176339
MPVs	-	-	61775	52087	59564	65033
<b>Total Passenger Vehicles</b>	<b>733641</b>	<b>690560</b>	<b>675116</b>	<b>707198</b>	<b>900752</b>	<b>1061290</b>
Scooters / Scooterettee	1233781	876224	908268	825648	885038	923566
Motorcycles / Step Through	1761439	2114693	2887194	3647493	4170459	4964442
Mopeds	698321	643461	408263	338985	309516	320852
<b>Total Two Wheelers</b>	<b>3693541</b>	<b>3634378</b>	<b>4203725</b>	<b>4812126</b>	<b>5365013</b>	<b>6208860</b>
Three Wheelers	172135	181899	200276	231529	268702	307887
<b>Grand Total</b>	<b>4760928</b>	<b>4643422</b>	<b>5225788</b>	<b>5941535</b>	<b>6794812</b>	<b>7896475</b>
In Numbers						
CATEGORY	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
M & HCVs	5089	5510	4824	5638	8112	13491
LCVs	4823	8260	7046	6617	9115	16458
<b>TOTAL CVs</b>	<b>9912</b>	<b>13770</b>	<b>11870</b>	<b>12255</b>	<b>17227</b>	<b>29949</b>
Passenger Cars	23272	22990	49273	70263	125327	160677
UVs	5148	4122	3077	1177	3067	4509
MPVs	-	-	815	565	922	1227
<b>Total Passenger Vehicles</b>	<b>28420</b>	<b>27112</b>	<b>53165</b>	<b>72005</b>	<b>129316</b>	<b>166413</b>
Scooters / Scooterettee	20188	25625	28332	32566	53148	60766
Motorcycles / Step Through	35295	41339	56880	123725	187287	277100
Mopeds	27754	44174	18971	23391	24234	28858
<b>Total Two Wheelers</b>	<b>83237</b>	<b>111138</b>	<b>104183</b>	<b>179682</b>	<b>264669</b>	<b>366724</b>
Three Wheelers	17725	16263	15462	43366	68138	66801
<b>Grand Total</b>	<b>139294</b>	<b>168283</b>	<b>184680</b>	<b>307308</b>	<b>479350</b>	<b>629887</b>

## Overview of Automobile Industry Performance

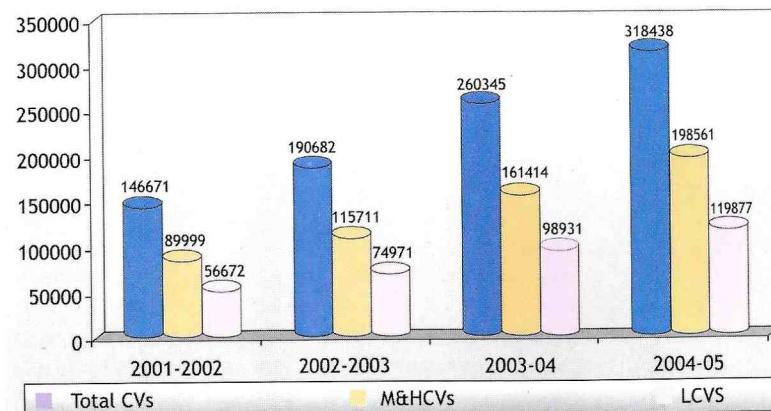
### Passenger Vehicles

Automobile - Domestic Sales Trend

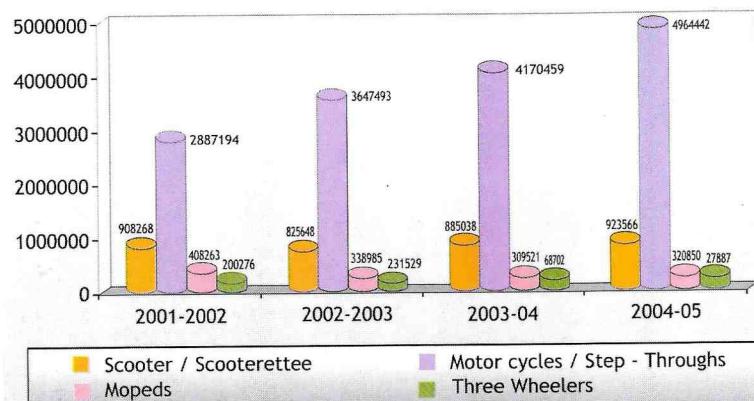
In Numbers



### Commercial Vehicles



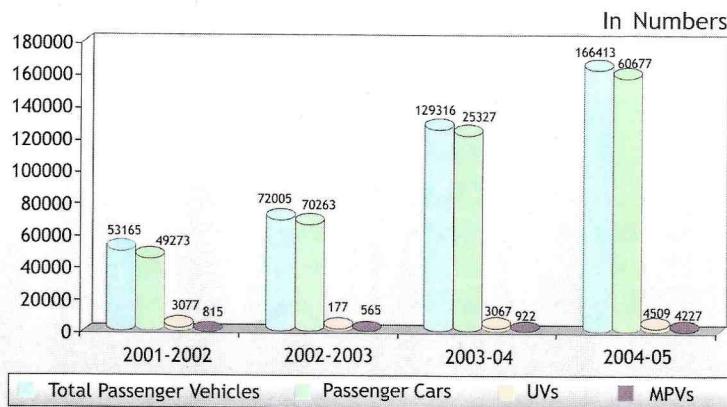
### Two & Three Wheelers



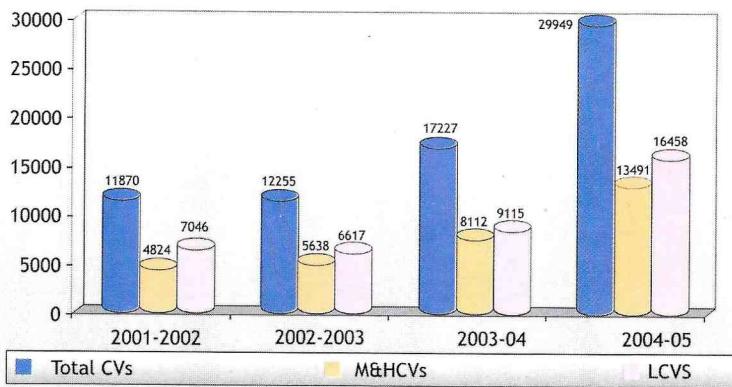
## Overview of Automobile Industry Performance

### Passenger Vehicles

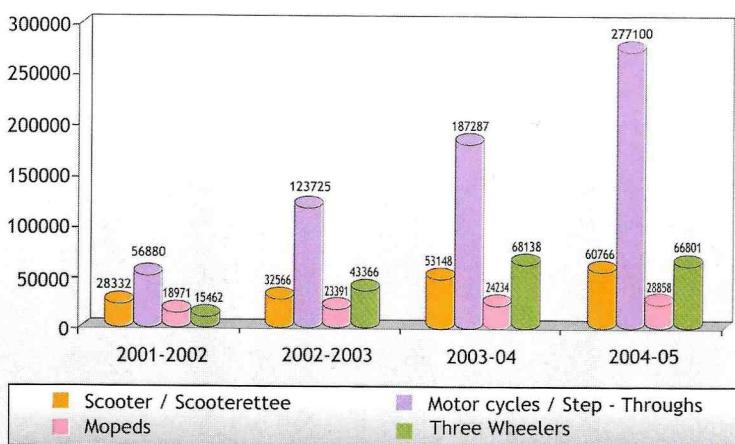
#### Automobile - Exports Trend



### Commercial Vehicles



### Two & Three Wheelers



## SIAM Office Bearers

### SIAM Executive Committee 2004 - 2005

Company	Member	Alternate
Maruti Udyog Ltd	Mr Jagdish Khattar (President)	Mr Hirofumi Nagao
Bajaj Auto Ltd	Mr Madhur Bajaj (Vice President)	Mr Sanjiv Bajaj
Eicher Motors Ltd	Mr S Sandilya (Treasurer)	Mr Rakesh Kalra
Ashok Leyland Ltd	Mr R Seshasayee	
Cummins India Ltd	Mr Anant J Talaulicar	Mr Arun Ramachandran
DaimlerChrysler India Pvt. Ltd	Mr Hans-Michael Huber	Mr S M Kadlaskar
Ford India Pvt. Ltd	Mr Arvind Mathew	Mr Vinay Piparsania
Force Motors Ltd	Mr Abhay Firodia	Mr Sudhir Mehta
General Motors India Pvt. Ltd	Mr Rajeev Chaba	Mr P Balendran
Hero Honda Motors Ltd	Mr Pawan Munjal	
Hyundai Motor India Ltd	Mr S S Yang	Mr B V R Subbu
Kinetic Engineering Ltd	Mr Arun Firodia	Mr M K Khera
Piaggio Vehicles Pvt. Ltd	Mr Ravi Chopra	Mr D K Dhamija
Mahindra & Mahindra Ltd	Mr Anand G Mahindra	Mr Alan Durante
Tata Motors Ltd	Mr Ravi Kant	Mr Prakash M Telang
Toyota Kirloskar Motor Pvt. Ltd	Mr Atsushi Toyoshima	
TVS Motor Company Ltd	Mr Venu Srinivasan Mr C P Raman	
Volvo India Pvt. Ltd	Mr Eric Leblanc	Mr Mansoor Ahmed

## Committees, Sub Committees, Working Groups Task Forces and Core Groups ( 2004-2005)



### Committee for ASCON & Institutional Linkages with ARAI & ACMA

**Chairman - Mr Madhur Bajaj, Vice Chairman, Bajaj Auto Ltd.**

The Committee for ASCON & Institutional Linkages with ARAI & ACMA was chaired by Mr Madhur Bajaj, Vice President SIAM and Vice Chairman, Bajaj Auto Ltd. SIAM is a member of its Manufacturing Council. The Council is an important forum as it enables participants to share data on different industry sectors and also gives an opportunity to learn about growth, technological trends and approaches adopted to enhancing manufacturing competitiveness.

With ARAI and ACMA interactions were periodically held on issues of mutual interest for sustained development of automotive industry.



### Committee on International Trade

**Chairman - Mr R Seshasayee, Managing Director, Ashok Leyland Ltd**

SIAM Committee on International Trade under the Chairmanship of Mr Seshasayee has been working on trade related issues like World Trade Organisations (WTO) and India's Preferential Trading Agreements. SIAM has been giving suggestions to Ministry of Commerce & Industry (MoC&I) and Ministry of Heavy Industries and Public Enterprises (MoH&PE) as to what India's stand could be regarding the items falling under Automotive sector and other related issues. It has initiated several studies for different markets to assess India's competitive position compared to those countries and plans to undertake further assignments during the year. The Committee is also spearheading SIAM initiatives on various international platforms like APEC Automotive Dialogue, ATPC initiative on WTO, etc.



### Committee on Taxation and VAT Implementation

**Chairman - Mr K K Swamy, Dy. Managing Director, Toyota Kirloskar Motor Ltd**

The Committee under the Chairmanship of Mr K K Swamy had several interactions with Central Board of Excise & Custom (CBEC), Central Board of Direct Taxes & officials of Ministry of Finance on issues relating to Direct & Indirect Taxation during the period under review. Committee also had interactions with the Empowered Committee pre & post VAT implementation w.e.f. 1<sup>st</sup> April 2005.



### Committee on Public Policy

**Chairman - Mr Aditya Vij, President & MD, General Motors India Pvt Ltd**

The committee under the chairmanship of Mr Aditya Vij interacted extensively with different State Governments in order to assist the state and city administration in addressing issues regarding safety and emission management from the transport sector. A study on Measurement of Vehicular pollution at Intersections in Delhi was commissioned to Central Road Research Institute (CRRI) and a detailed action plan for Delhi was submitted to the Department of Environment, Government of NCT Delhi.

## Committees, Sub Committees, Working Groups Task Forces and Core Groups ( 2004-2005)



### Task Force on Classification of Vehicles

**Chairman - Mr Abhay Firodia, Chairman & Managing Director, Force Motors Ltd.**

The Task Force on Classification under the Chairmanship of Mr Abhay Firodia interacted during the year under review to bring about consensus on various issues regarding classification of vehicles such as - Model wise Details; Reporting of CBU, CKD/SKD in the New Format; Reporting of State wise Sales Data in New Format; Reporting of Price Data; Reporting of Import, etc.



### Task Force on Styling and Design

**Chairman - Mr Ravi Kant, Managing Director, Tata Motors Ltd.**

The Working Group on Styling and Design set up to give greater exposure and an enabling atmosphere to our designers to be able to assimilate customer expectations into products being manufactured is working on various activities to achieve its objectives. A presentation was organised with NID.



### Task Force on Auto Oil

**Chairman - Dr Pawan Goenka, Chief Operating Officer, Mahindra & Mahindra Ltd**

The Task Force on Auto Oil under the Chairmanship of Dr Pawan Goenka, Chief Operating Officer, Mahindra & Mahindra worked on issues of common interest of Auto & Oil Industries. The Task Force deliberated on issues related to Fuel Quality including Fuel Adulteration and Air Quality Monitoring, and Indian Clean Air Programme.



### Task Force on Recycling

**Chairman - Mr Hans-Michael Huber, Managing Director & CEO, DaimlerChrysler India Pvt Ltd**

The Task Force under the Chairmanship of Mr Hans-Michael Huber worked on Recycling and End of Life of Vehicles taking cognisance of the existing regulations and experience world wide. It focused on the Imperatives for the Indian automotive industry with increasing usage of recyclable products in the European markets. A presentation was made to the CAR group.

## Committees, Sub Committees, Working Groups Task Forces and Core Groups ( 2004-2005)



### Task Force on Telematics

**Chairman- Mr Siddhartha Lal, COO, Eicher Motors**

The Task force on Telematics organised Teletrans 2004 in association with CII and ACMA at Chennai. Under the leadership of Dr Aravind Bharadwaj, Head, Advanced Engineering, Ashok Leyland also submitted a Telematics project proposal for Koyembedu Bus Terminus at Chennai to Government of India for funding.



### Mission on Frontier Technologies

**Chairman - Dr V Sumantran, Executive Director (PCBU and ERC), Tata Motors Ltd**

The Mission has identified the frontier technologies required for future Automobiles in order to make them world class. Various projects have been undertaken by this mission under CAR.

The mission also chairs the Expert Group on Hydrogen Energy application in Transportation sector constituted under National Hydrogen Energy Board.



### Technical Committee on Emissions

**Chairman - Mr R R Akarte, General Manager (Vehicle Testing), Tata Motors Ltd.**

Emissions Committee under the Chairmanship of Mr R R Akarte actively worked on the implementation of new emission norms and in-use emissions norms through active deliberation with various Ministries and State Governments. This committee also deliberated on issues related to alternative fuels like CNG, LPG, Ethanol blended fuels, bio-diesel, etc.



### CMVR, Safety and Regulations Committee

**Chairman - Mr R Devarajan, Spl. Director, Ashok Leyland Ltd**

The Committee under the Chairmanship of Mr R Devarajan worked actively on issues related to formulation & implementation of safety regulations, harmonisation of standards, of the Road Map for Safety Standards and homologation & certification of vehicles.



### Task Force on Test Facilities

**Chairman - Dr K Kumar, Advisor, Maruti Udyog Ltd**

The Task Force under the Chairmanship of Dr K Kumar, Advisor, Maruti Udyog Ltd, successfully took forward the Testing Facilities Project, which has been approved by the Union Cabinet.

## Committees, Sub Committees, Working Groups Task Forces and Core Groups ( 2004-2005)



### Committee on Commercial Vehicles Sector (Transportation Issues)

**Chairman- Mr Mansoor Ahemad, Vice President (Mktg), Volvo India**

The Committee has representation from Commercial Vehicle and Vehicular engine Manufacturers The Committee aims to provide a holistic approach for the sustainable growth of the Commercial Vehicle Industry encompassing efficient road transportation, road safety and environmental imperatives. The 6 focus areas of the Committee are :

- Transport efficiency improvement
- Seamless flow of goods
- New Regulations & Technical Issues
- Societal concerns
- Development of logistics
- Transport Community Interface
- Government policies and legal issues

### Task Force on Anti-counterfeiting

**Chairman- Mr Rajendra K Bhurat, Vice President, ( Spares SBU), Mahindra & Mahindra Ltd.**

The Task Force on Anti-counterfeiting was constituted under the Chairmanship of Mr R K Bhurat. This Task Force has identified promotion of an awareness campaign on use of counterfeit components in the Automotive sector by way of conducting workshops at regional level involving all stake holders- Industry, Judiciary, Excise & Customs, police, consumers and Trade Marks officials. The Task Force has constituted a market study by IMRB to assess the counterfeit auto-components market in India.



### Core Group on IT Initiatives

**Chairman - Mr Rajesh Uppal, General Manager, Maruti Udyog Ltd**

The Core Group under the Chairmanship of Mr Rajesh Uppal continued its dialogue with several State Transport Authorities, National Informatics Centre, the Ministry of Heavy Industries & Public Enterprises and Ministry of IT & Communication on a computerized model for registration of vehicles in the States with the final objective of networking vehicles registration data throughout the country and creating a Centralised Data Bank at Ministry of Shipping, Road Transport & Highways.



### Two and Three Wheeler Sub-Committee

**Chairman - Mr M N Muralikrishna, Technical Adviser, TVS Motor Company**

The Two and Three Wheeler Sub-Committee under the Chairmanship of Mr M N Muralikrishnan met regularly to deliberate on consolidate industry viewpoint on future emission norms beyond 2005, durability of catalytic converters, evaluation of deterioration factor for two-wheelers, use of alternative fuels, in-use vehicle norms, studies related to World Motorcycle Testing Cycle (WMTC) and other relevant issues. Mr Muralikrishna also represented the industry in International fora viz. Federation of Asian Motorcycle Industries (FAMI) and WMTC.



## **Committees, Sub Committees, Working Groups Task Forces and Core Groups ( 2004-2005)**



### **Commercial Vehicle Sub-Committee**

**Chairman- Dr A K Jindal, General Manager, Eicher Motors Ltd.**

The committee under the Chairmanship of Dr A K Jindal, General Manager, Eicher Motors Ltd. deliberated on various technical issues related to the sustainable development of the Commercial Vehicle industry including issues related to the preparation of the Truck and Bus Body Codes.



### **Working Group on CMVR**

**Chairman - Mr T M Balaraman, Deputy General Manager (PE), Bajaj Auto Ltd**

The Working Group under the Chairmanship of Mr T M Balaraman, DGM, Bajaj Auto Ltd interacted regularly and actively assisted CMVR, Safety & Regulations Committee in various tasks taken up by the Committee.



### **Society for Automotive Fitness & Environment (SAFE)**

**President - Mr K N Krishnamurthy, Technical Adviser to MD, Ashok Leyland Ltd**

Society for Automotive Fitness and Environment (SAFE) has membership from vehicle manufacturers, ARAI, IIP, CIRT and several NGOs in the governing council. SAFE has been focusing on issues of road safety and in-use vehicle emission management with various Government Departments in major cities. Road safety education has always been one of the major areas of focus for SAFE and under this initiative school children have been educated through visits to various automobile manufacturing facilities and interactive programmes in partnership with Traffic and Transport Departments of State Governments. Other initiatives included driver training programmes undertaken in major cities with special focus on attitudinal change, Traffic rules, Fuel conservation and other safety tips. SAFE has played a pivotal role in Computerisation of Pollution Check Centres.

## 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 of India Ltd
1969	Mr A H Tobaccowala	Tata Engg. & Locomotive Co. Ltd
1970 & 1971	Mr A Sivasailam	Simpson & Co. Ltd
1972 & 1973	Mr N K Firodia*	Bajaj Tempo Ltd
1974 & 1975	Mr J E Talaulicar	Tata Engg. & Locomotive Co. 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 of India Ltd
1982 & 1983	Mr R J Shahaney	Ashok Leyland Ltd
1984 & 1985	Mr V Krishnamurthy	Maruti Udyog Ltd
1986 & 1987	Mr S L Bhatter	Hindustan Motors Ltd
1988/89 & 1989/90	Mr B De Souza	Mahindra & Mahindra Ltd
1990/91 & 1991/92	Mr 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 Lal	Hero Honda Motors Ltd
1997/98 & 1998/99	Mr V M Raval	Tata Engineering
1999/00 & 2000/01	Mr Venu Srinivasan	TVS Motor Company
2001/02 & 2002/03	Mr R Seshasayee	Ashok Leyland Ltd
2003/04 & 2004/05	Mr Jagdish Khattar	Maruti Udyog Ltd

\* Since deceased

**Members of SIAM**

1	Ashok Leyland Ltd	20	LML Ltd
2	Atul Auto Ltd	21	Mahindra & Mahindra Ltd
3	Bajaj Auto Ltd	22	Majestic Auto Ltd
4	Cummins India Ltd	23	Maruti Udyog Ltd
5	DaimlerChrysler India Pvt. Ltd	24	Piaggio Vehicles Pvt. Ltd
6	Eicher Motors Ltd	25	Premier Ltd
7	Fiat India Pvt. Ltd	26	Royal Enfield (Unit of Eicher Ltd)
8	Force Motors Ltd	27	Scooters India Ltd
9	Ford India Pvt. Ltd	28	SkodaAuto India Pvt Ltd
10	General Motors India Pvt. Ltd	29	Simpson & Co. Ltd
11	Greaves Cotton Ltd	30	Swaraj Mazda Ltd
12	Hero Honda Motors Ltd	31	Suzuki Motorcycle India Pvt Ltd
13	Hindustan Motors Ltd	32	Tata Motors Ltd
14	Honda Siel Cars India Ltd	33	Tatra Trucks India Ltd
15	Honda Motorcycle & Scooter India (Pvt) Ltd	34	Toyota Kirloskar Motor Pvt Ltd
16	Hyundai Motor India Ltd	35	TVS Motor Company Ltd
17	International Cars & Motors Ltd	36	Vehicle Factory, Jabalpur
18	Kinetic Engineering Ltd	37	Volvo India Pvt. Ltd
19	Kinetic Motor Company Ltd	38	Yamaha Motor India Pvt. Ltd

## Affiliation & Liaison with other Associations & Institutions

### India

- All India Motor Transport Congress
- Aluminum Association of India
- Association of State Road Transport Undertakings
- Asian Development Bank
- Automotive Component Manufacturers Association of India
- Automotive Tyre Manufacturers Association
- Automotive Research Association of India
- Automotive Services Equipments Association
- Bureau of Indian Standards
- Central Institute of Road Transport
- Central Road Research Institute
- Confederation of Indian Industry
- Federation of Automobile Dealers Association
- Federation of Motor Sports Club of India
- Indian Diesel Engine Manufacturers Association
- Indian Institute of Petroleum
- Indian Machine Tool Manufacturers Association
- Indian Institute of Metals
- Indian Institute of Technology, New Delhi

## Affiliation & Liaison with other Associations & Institutions

Indian Steel Alliance

Indian Rubber Institute

Indian Institute of Foreign Trade

Insurance Regulatory and Development Authority

Institute of Road Traffic Education

National Institute of Design

Petroleum Federation of India

Research & Information Systems for Non-aligned and Other Developing Countries

Technology Information Forcasting & Assessment Council

Tractor Manufacturers Association

The Energy and Resources Institute

United States Agency for International Development

United States - Asia Environment Partnership

Vehicle Research & Development Establishment

World Bank

Western India Automobile Association

## Affiliation & Liaison with other Associations & Institutions

### Overseas

ACEA (EU Automotive Association), Brussels

ANFINA (Brazil Automotive Association), Brazil

Asia Pacific Economic Cooperation Automotive Dialogue

ASEAN Automotive Federation

Asian Motorcycle Union (UAM)

Association of Indonesian Automotive Industries (GAIKINDO), Indonesia

Association Nazionale fra Industrie Automobilistiche, Torino, Italy

Association of Fabricas de Automotores, Buenos Aires, Argentina

Automotive Federation Malaysia

Automotive Research & Testing Centre, Taiwan

Automotive Policy Planning, METI, Japan

Automotive Trade Policy Council, USA

Chambers Syndicate des Constructeurs d Automobiles, France

China Association of Automobile Manufacturers, P R China

Clean Air Initiatives of Asian Cities (CAI-Asia)

Federation of Asian Motorcycle Industries, Singapore

Federal Chamber of Automotive Industry, Australia

Federation of Nepal Chamber of Commerce & Industry, Nepal

Founder Member : Federation of Asian Motorcycle Industries, Singapore

Indonesian Motorcycle Industry Association, Indonesia

International Motorcycle Manufacturers Association, Geneva

Japan Automobile Manufacturers Association Inc, Japan

Japan Automobile Standards Internationalisation Centre, Japan

## Affiliation & Liaison with other Associations & Institutions

Korea Automobile Manufacturers Association, Korea

Malaysia Automotive Association

Mitra Emisi Bersih, Indonesia

Motor Vehicle Manufacturers Association, Italy

Motorcycle and Scooter Assemblers and Distributors Association of Malaysia,

Motorcycle Development Program Participants Association, Philippines

Philippine Automotive Federation, Philippines

National Alternative Fuel Training Consortium, USA

National Highway Traffic & Safety Authority, USA

Nepal Auto Dealers Association, Nepal

Organisation Internationale des Constructeurs d'Automobiles, (OICA), France

SAE International, USA

Singapore Motorcycle Trade Association, Singapore

Taiwan Transportation Vehicle Manufacturers Association, Taiwan

The Thai Automotive Industry Association, Thailand

Thailand Automotive Institution, Thailand

Thai Auto Parts Manufacturers Association, Thailand

The Society of Motor Manufacturers & Traders Ltd, UK

Transport Research Laboratory, UK

US Department of Commerce, USA

US Department of Energy, USA

US Environment Protection Agency, USA

Verband der Automobilindustrie e.v., Germany

Vietnam Register, Vietnam

## SIAM Secretariat

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### Society of Indian Automobile Manufacturers

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India Habitat Centre  
Lodi Road, New Delhi - 110 003  
Tel : +91-11-24647810-12, 24648555  
Fax: +91-11-24648222  
Email: [siam@siam.in](mailto:siam@siam.in)  
Website : [www.siam.in](http://www.siam.in)

# SIAM

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