Vol 3 Issue 1

March 2016

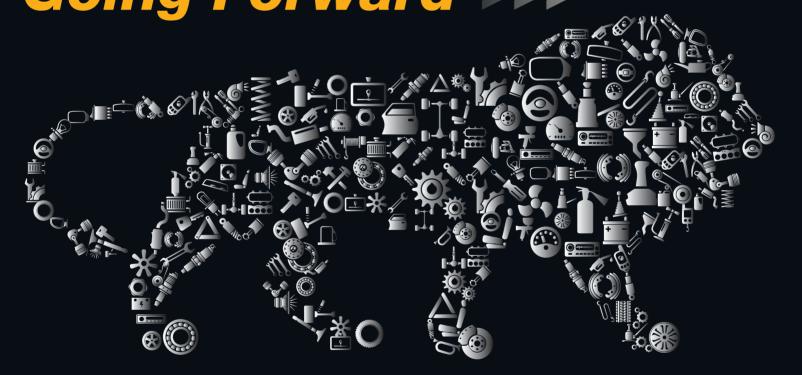






\* ANNIVERSARY\*

## MAKE IN INDIA Going Forward >>>



## Auto Expo 2016 review



Auto Expo 2016 Motor Show witnessed lot of new age vehicles and focused more on future emission norms



Auto Expo Components Show draws big attention from OEMs; Innovation Pavilion attracted technology players





shift. The 3 major parameters every automotive company has to steer on are safety, emission regulation with fuel efficiency and better connectivity. Opportunity comes for India to imbibe right technology and Make in India boosts the same. But the irony is that the emerging economy is also tagging India as the best market to invest because of climatic changes and societal changes. The business models too

change because of the change in environment.

The above cited reasons are the basis for everything. A lot of investment is needed in technology zone concurrently the demand for power is also more. The power cost per unit does not support well the Make in India initiative and alternate sources are now under scrutiny. The investments are already on in

generating the solar power and the vigor is going to be a step more and electrification also is going to happen. The new products in gear space we could finger out is speed gears and electronic power system module and we develop the same in India for the countries across world. The market evolves good and our R&D is watchful enough to pro-act on demand. ACI

- as told Bhargav TS

## Infrastructure, roads and logistics are still far behind the international standards

DC Sharma, Group CFO, Minda Corporation

n the automobile industry 100% foreign equity investment is allowed via automatic route along with some relaxations in licensing and approvals for the manufacturing and imports in this sector. Some of the factors which attracts investors include low manufacturing and labor cost, availability of manpower, large and increasing domestic auto markets along with huge export potential market. Low auto penetration levels and rising middle class income are also contributing factor. Implementation of the Seventh Pay Commission would enhance the consumer buying capabilities. Significant opportunities exist in rural India as well.

Indian auto industry is highly competitive with the presence of a large number of global and Indian auto companies. Global OEMs are further increasing their investments in India to cater to the growing domestic demand. In addition to this, global OEMs also plan to leverage India's competitive advantage by

setting up their export-oriented production hubs. Due to inherent cost efficiencies, the auto component industry is also scaling up on the back of increasing component sourcing by global car manufacturers from India. Indian auto component industry are well positioned to benefit from the increasing exports potential and globalisation trend.

Infrastructure, roads and logistics are still far behind the international standards. This adds significantly to the cost of conducting business. Investors do expect India to improve on its ranking on the 'Ease of Doing Business' index (currently at 130) along with improving current business climate by adequately providing solution for existing system bureaucracy and eliminating the unnecessary laws / regulations. Recent diesel ban in Delhi / NCR and subsequent retaliation in engine capacities have shaken the confidence of auto majors and their investment plans. Governmental support is required to expand rural domestic demand through greater financing availability and better



distribution reach. Simplification of the tax structure would further support the 'Make in India' initiative. Reformatory measures may include providing accelerated depreciation rates for the capital equipment manufactured in India, rebates for R&D and innovation initiatives, successful implementation of GST, lower corporate taxations and availability of lower financing cost. Reviewing of existing Double Taxation Avoidance Agreements (DTAAs) to improve investor confidence is highly required. ACI

— as told Deepanshu Taumar

