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IN CONVERSATION WITH **ASHWANI GUPTA** PROGRAMME DIRECTOR, DATSUN

On the new Datsun Go, its strategy to capture market share, the thinking behind the product itself and future plans

You've had a very interesting last nine months. You first showed the Go, then the Go+, and now you've shown a new concept.

You see, the first thing is that we never start first with the product. We always start with the customer. The products you're seeing today, they represent three things. Firstly, we start with the customer and end with the customer. Secondly, this is not done in one day. We've been working on it for the past few years. And lastly, we're considering this market to be challenging, but with a very high growth potential. That's the reason we're preparing our brand as well as our product in line with the market potential. Datsun Go will be on the road by end-March, the Go+ sometime this year, and the third product in 2015. We believe this country has tremendous potential when it comes to first-hand buyers, when it comes to the people who really want to show their success in terms of the car. And I think these customers are the ones who wake up in the morning with some kind of breakthrough, and that is what our tag line will be along the lines of. And when they come back in the evening, they will evaluate, themselves, what is the success they achieved during the day. These kind of customers are clearly the kind we'd target.

What's your strategy with the Go?

I think there are three cycles in the automotive development. The first cycle is the customer insight to the main concept. The second cycle is the technical discovery which is to make a technical solution, industrialization and to have the car out. The third is how to reach the customer with this car. Now we are fortunate to have the return of Datsun which is a very important heritage of Nissan. We're also fortunate to have a newly developed product for this market. And we also have a lot of customers with the aspiration of tapping into this market. What's important is that we converge the brand philosophy with the product and then the people. Today I will be really happy to tell the customer what the brand personality is, what the brand means. But unfortunately I can't do that with a population of 1.2 billion. So all we want to do right now is train our people in one main thing when it comes to our customers, and that is respect. Why I'm saying this is because our customers should feel comfortable when they enter our showrooms. They should feel that the loans on offer are flexible enough for them. We should have a very fair transaction overall. We're very straightforward that way. What we show, we sell. This kind of transparency is what we will aim for with the customers.

Now what you've said could be applicable to most of the competition as well. What will you do to differentiate yourself from the others? Because for people in the know, Datsun is a brand with lots of heritage. But for people who don't know the brand, how will you reach out to them?



In this kind of market, it is the product that makes the brand. We can't make a brand overnight. What we're concerned with is how people will read this product, and according to the customer clinics that we've conducted, the customers think that our product is modern, durable because it's backed by Japanese DNA, and lastly, reliable. The first two can more or less be judged at the showroom. The third can be judged two or three years down the line. There's a factor called total cost of ownership. There's the fuel economy of 20.63 kpl, and then we talk about local spares, which the customer should be comfortable with knowing that they won't be that expensive. What's left is servicing. And this is something we think is a challenge that we've accepted and are addressing it. On top of this, there's price positioning. The customer will know that there's a lot of innovation and modernity gone into this car once he gets to know of all that's gone in. But he's getting this car at a price of A or A+, and I think that will make the differentiation. So we're positioning it where it will not only attract B segment buyers, but A+ segment buyers as well.

IN CONVERSATION WITH **TIM LEVERTON** PRESIDENT, ENGINEERING RESEARCH CENTRE, TATA MOTORS

On the new Revotron petrol engine, weight reduction issues, the way forward for the company and electric vehicles

How long has the Revotron engine been in development? What was the thought behind it?

In terms of how long, we've been working on it for a couple of years or so. The thought process was just that what can we

bring in that other people aren't bringing in. We reviewed our overall engine strategy and realized that we need to do something much stronger in gasoline. We saw the opportunity to utilize the turbo-charger with the Revotron engine which

gives really high power and efficiency, and that in the Zest and Bolt gives us a 25 percent step in terms of our competitors. And then we thought about what our power figures could be, because clearly we could push power, but obviously we wanted to balance fuel economy and performance. That led us to the combination we've come up with.

So it's the same 1.2 block that you've had before?

The only thing that's the same is the cylinder pitch and the displacement. The block is an all-new design. There are around 93 new components. The engine's about 10 percent lighter overall and you can see that the translation of that is that the product is very different to what was there before.

In its current application, the Revotron doesn't have the Start/Stop application. Is there a possibility of doing that?

We certainly have worked on that type of technology. I think the issue is about how much value a customer would place on that. I certainly think that it's a good thing and that it's a technology that will help in the future. But there are certain issues with that in the way that you keep that running in a city cycle. We will solve those problems and we will bring it in due course.

Customers are very price conscious. Do you see that as the reason why only certain applications and products make it to a car?

Some of these things do carry cost increases. Putting technology into the car does increase the price, so finding the right combination is key. But if you look at where the next step is to be with fuel economy and efficiency, the track forward is to reduce weight or to incorporate these kind of features.

How are you tackling the weight issues of the current lot of cars? Where do you see savings possible and how are you tackling it?

We're looking across the entire car. It's not just one area. As you reduce the weight of the car, you begin to need less power to make the car driveable, less braking ability, as you reduce the engine displacement the car gets lighter, and that's actually every area the vehicle needs to be looked at, whether it's the trim, the body; all of these things need to be looked at. This new engine also has a lot of weight saving incorporated thanks to the materials used in its construction. So that's the sort of thing we're looking at. We even recently had a two-day light-weighting conference with our vendors. And that's got to be the way we look at things.

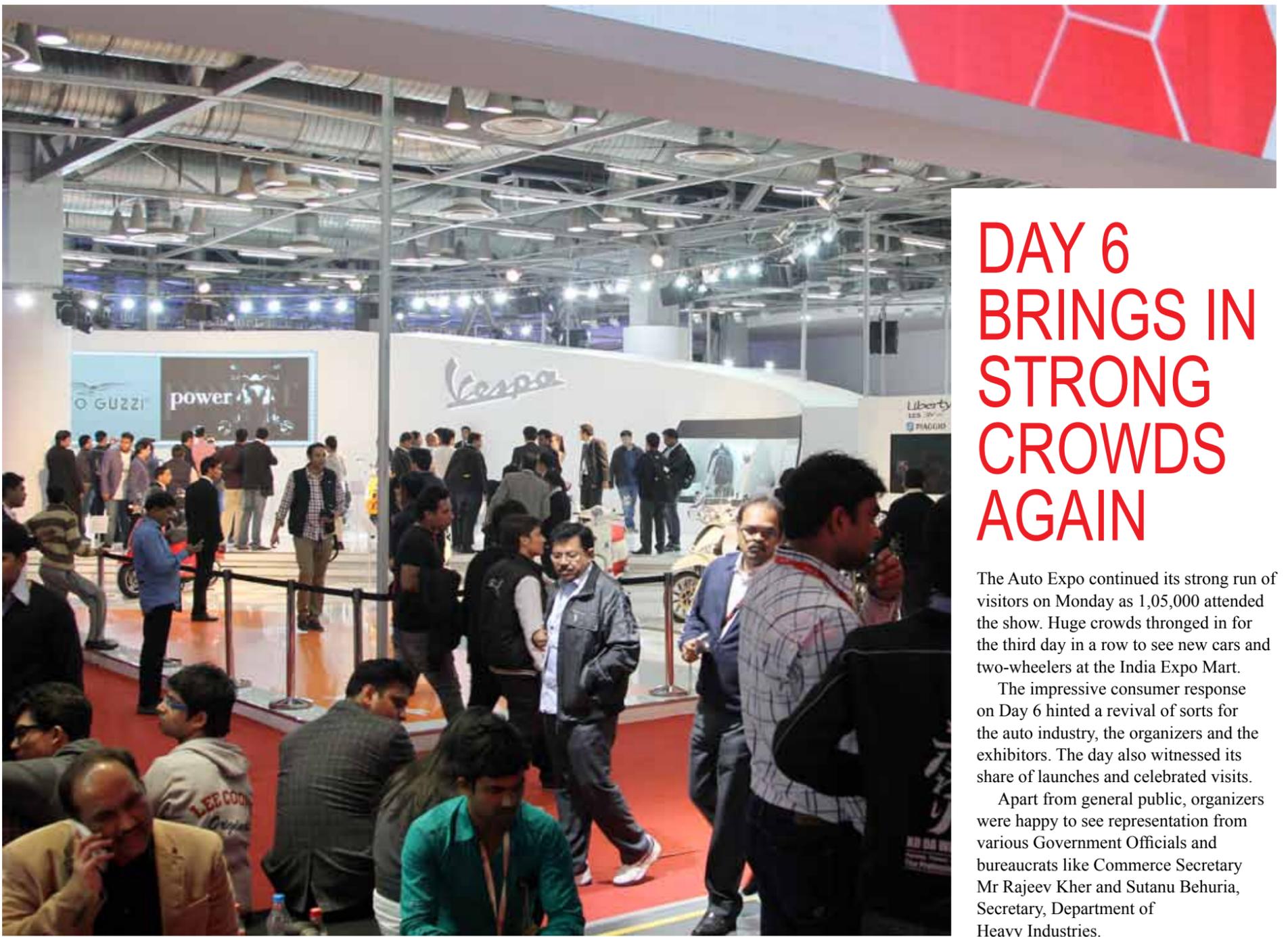
Do you think engineering plastics is one way to ensure weight saving?

I think so. Engineering plastics you usually have to do good parts integration with those types of applications. To make them work you have to integrate a lot of function into the components. So that is something we'll have more application of in the future. What's key to us is that customers will want better cars. They'll want cars that consume less fuel, drive quieter, make more power, have more features. So we have to balance a lot of sometimes conflicting demands to keep up. We have a product portfolio plan that runs up till the year 2020.

You'll showed a few EV concepts earlier. Where have those reached now?

It was a bit more than a study. We ran a few examples of those on the road in the UK. So it was a validated vehicle, not just a concept. It was done over a period of 12-18 months to field test all the technology. That technology is with us now and we will deploy that technology in the future now. But the economics of these vehicles given the very low customer demand, even in Europe, it's just not viable to do that at the moment. I think you know that there have been very few takers for these kind of vehicles. Until there's a breakthrough in energy systems costs, battery costs, I don't see it picking up much more. So I see more of hybridization, even going as far as plug-in hybrids. That seems like the more viable option for customers.





DAY 6 BRINGS IN STRONG CROWDS AGAIN

The Auto Expo continued its strong run of visitors on Monday as 1,05,000 attended the show. Huge crowds thronged in for the third day in a row to see new cars and two-wheelers at the India Expo Mart.

The impressive consumer response on Day 6 hinted a revival of sorts for the auto industry, the organizers and the exhibitors. The day also witnessed its share of launches and celebrated visits.

Apart from general public, organizers were happy to see representation from various Government Officials and bureaucrats like Commerce Secretary Mr Rajeev Kher and Sutanu Behuria, Secretary, Department of Heavy Industries.

EXPO TALK

The Auto Expo, whichever way you look at it, was a resounding success both at Pragati Maidan and the India Expo Mart. Here are a few samples of what visitors had to say about the new look of the Auto Expo.

TAZLEEN KUMAR
'Excellent show and a great event! Can do even better with more space'

R. MATHA
'Well organized event'

I. S. SABBARWAL
'Excellent! The entire event was looked after very well'

RAJEEV KHER
'Really appreciated the arrangements at the venue'

K.G. MOHAN
'Very good arrangement and easy to manoeuvre and visit all the stalls. Well organized'

TAKATUMI YASUMOTO
'We liked the Japanese pavilion'

E. BALASUBRAMANIAM
'Wonderful and beautiful exercise for the Auto Expo'

NITIN GOKARN
'Great event!'

EDWARD XU
'Good. Impressive'

S.K. GUPTA
'Better organized than previous editions'

ALL THE NEWS

DAY 6: 10TH FEBRUARY

There was no shortage of new metal being showcased at the Auto Expo 2014. Here we look at displays from manufacturers like Toyota, Tata, SsangYong, Maruti, BMW, DSK and more. It was an action-packed Monday, that's for sure.



Toyota displayed its full-size premium MPV, the Hiace at the show. The large people-mover drew in quite a bit of crowd



Tata's Connectnext concept was quite a looker and is essentially an electric vehicle



SsangYong brought in its Limit Interface Vehicle concept (LIV-1) to the show



Maruti's stall was brightened up with this one-off Alto K10 exhibit



The Swift Volt was another one of Maruti's one-time-only showcases



Honda's mighty Goldwing touring bike is one that's steeped with heritage. It comes with a 1.8-litre 6-cylinder engine that has enough grunt to make long distance travel a cinch



The Triumph Speed Triple 1090 had bike aficionados lining up for a better look



The no-holds-barred Triumph Daytona 675R was a treat for bike enthusiasts



Yamaha's Cygnus Alpha is targeted at nuclear families and is powered by a 113cc engine



The funky TVS Graphite showcased what's in store for the future of the company



IN CONVERSATION WITH
R RAMAKRISHNAN
 SENIOR VICE PRESIDENT,
 COMMERCIAL VEHICLES,
 TATA MOTORS

R Ramakrishnan is an old hand at Tata Motors. Having spent his last 28 years in the firm, he has a deep understanding not only about his products, but even the market. This IIM-Ahmedabad graduate can rattle-off numbers and statistics about the Indian economy and the state of the industry like few can. With new products being introduced at the 2014 Auto Expo, the soft-spoken Ramki, as

he's referred to by colleagues seemed more than happy to show us around them and so we started off by asking about their relevance.

In 2012, you had previewed the Ultra truck. Now, you've shown us the Ultra narrow-cab. When does the Ultra finally hit roads?

We started off with the Ultra buses first and now, it's the turn of the trucks. This March, we'll roll off the range that comes in 8, 9, and 11-ton payloads. One has to understand that the Ultra is a modular platform and this, the narrow cab is in the 5 to 7.5-ton range which will be launched later this year. It plays the role off a distribution truck for narrower roads and spaces, thus completing our range.

What about the Prima truck you've shown here; is it an attempt to take the truck further down the price chart?

The Prima, like the Ultra uses a modular strategy. When we launched it, we offered the fully-loaded packages, but as time passed, we've launched the LX and this version you see at the Expo. In effect, there are now three layers to the Prima. It's aimed at different segments and geographies and as one would remember, we straight away offered various applications. So initially we launched the higher tonnage vehicles and now we have the smaller tonnage options, thus taking the range from 9 to 49-tons, with engines varying from 180-560 hp. The Prima is even used in defence applications; the 5252c uses Prima's aggregates. One has to remember we localised and made the engine available first through our entire portfolio of trucks, thus helping bring down the price. We started at 280 hp in the tractor-trailer and have now taken it up to 560 hp. So now, we have a more functional therefore an affordable range. The 1618T we've launched here covers just such a range, with 180 to 230 hp engines and a narrower cab; 2200 mm vs the 2500 mm width cab on the regular Prima.

Tell us more about the 4923 lift-axle you've brought to the show

What we've noticed is that with certain goods like liquids, LPG and petroleum products, transporters were running them to capacity on one trip, but on the return have either half or no loads. This had a direct bearing on their costs, so we decided to build a new lift-axle in-house that would help someone with a smaller fleet of trucks run it efficiently and have faster turnarounds. This also applies to certain other segments like concrete mixers/transporters for example. All of this reduces fuel consumption and increases tyre life, with the fuel consumption improving by 15-20 per cent.

The state of the economy in 2013 wasn't very good. Do you see any improvements going forward?

Let me talk about it segment-wise first. The passenger cars business in 2013 has either been flat or somewhat positive, but the fluctuations haven't been massive. If you look at buses, JNNURM also plays a role in its functioning. But with trucks, there are several factors that affect it; manufacturing output, infrastructure, mining for example. Now if you notice, there has been a contraction for the last eight quarters. The mining ban continues and coal is being substituted by imports. Infrastructure develop-



ment is paralysis as land acquisition has become a problem. High interest rates too are affecting the general business environment. So all these sectors need a boost. If you notice, with coal mining as imports are taking centre stage, it is the railways who are benefitting the most, not trucking. Policy implementation has to be looked into.

Is there a silver lining in all of this, then?

The agriculture business has been looking good for the past two monsoons, so small trucks were doing better. But due to NPAs by HCV operators, financing has become a problem even for LCV operators.

Given the general atmosphere, would you say you are taking more frequent reviews of the situation, than you were during the boom times?

Yes, we are taking more frequent reviews of general market conditions. There are some things we are keeping and others we are changing. But new product developments continue as they are. What we've done is take priority work, especially R&D work that will have an immediate impact on the bottom line on priority basis.

Which segments do you see as potential growth segments in the short to medium term?

Premium trucks are potential growth areas

as we've noticed in recent years. Overloading too has an impact on how segments will grow as the government has brought in legislation to curb that. To offset it, we are now working towards manufacturing lighter trucks to ensure payloads don't get affected much for our customers. We will have more variety of trucks in the process than ever before and demands of various customers are making it demanding on us too. Those operators who generally use national highways for transportation end up with newer-generation and better trucks, those on state highways use a certain type and quality of trucks and for district and rural use a different type. So we have to cater to all their needs.

Would you say legislation and general inertia is setting the market for full-cab products?

No, that isn't the case. Cowl and semi-cowl products will exist because there are customers who demand it. Those with larger fleets are prepared for full-cabs; so different sets of demand exist.

How do you view the sub 4-ton segment.

When we first developed the Ace, we didn't think applications. That happened later once we realised its potential. One has to understand that there will be more sub-segmentation going forward as most truckers here are owner-drivers.



DSM ENGINEERING PLASTICS

DSM Engineering Plastics is part of DSM NV, a 9 billion euro turnover firm. It's a global supplier of high performance engineering plastics, not just for the automotive industry but any industry whose

requirement includes engineering plastics. This could be either consumer electronics, mobile phones or any other product that uses engineering plastics. They are also among the world's largest manufacturers

of Nylon-6 and Nylon-66 products, with a 30-40 per cent concentration of their total engineering plastics business towards automotive requirements. DSM works with both Tier-I suppliers and OEMs, especially power trains with the latter. The company, with their state-of-the-art plan in Pune claims that demand for automotive application of engineering plastics has increased in the last two to three years. This is due to increased interest in light-weighting and harmonisation of

global platforms. The company classifies its interests in the automotive sector into four different subsets. Powertrain business includes air-intakes, cylinder covers, timing covers among others. The second is Air/Fuel business which is primarily ducting. The third involves the interior and exterior of automobiles, which include door handles, winder frames, wings, boot lids etc. The fourth and final is automotive electronics, with most supplies aimed at Tier-I suppliers.

BIG BOY TOYZ

Jatin Ahuja has been in the pre-owned premium for the last decade. He started the business from scratch and has single handedly created one of the most trusted pre-owned car businesses in the country. Everything from Rolls-Royces to Porsches, he can get for you. This is not just any other used car showroom. Big Boy Toys is as premium and quality centric as they get. Jatin makes sure that none of the cars that he purchases have done more than a few thousand kilometres. Most of his cars have only run two to three thousand kilometres. Every single car is quality inspected and serviced thoroughly before the new owners take possession of them.

Jatin has big plans for his business. In just a few months, he will be starting his massive showroom in Gurgaon where over 230 cars will be displayed. When we asked him about plans for expansion or even franchises, he says, "It really doesn't make sense for me. When people come to buy cars, especially premium sports cars, they want to look at all options. If I have four options but they are spread out all over the country, it doesn't really work." Big Boy Toys is currently based in Delhi and sells over 20 cars every month. Needless to say Jatin plans to expand this number considerably.



BRAKES INDIA LIMITED

Brakes India Limited, a joint venture between TVS and TRW Inc., is one of the largest manufacturers of brakes and braking systems in the country. With manufacturing facilities spread over the length and breadth of the country, the company employs over 6,500 people and serves more than 70 companies as OEM suppliers of braking components.

Brakes India Limited is a complete brake system solution provider. They handle everything from design and development to testing and delivery. The company runs its own R&D wing with over 220 engineers tirelessly working towards innovative technologies.

The list of products that the company offers to its customers is pretty impressive. It includes brake calipers, drum brakes, actuators, valves, hoses, electro magnetic retarders, brake fluids, radiator coolants, brake cleaners, permanent mould ferrous castings, engineered plastic compounds, etc.

Brakes India is now one of the leading manufacturers of brake systems thanks to their capability for effective innovation. Their in-house technology department has helped refine the assembly and testing process by making machinery and test rigs that are purpose built to their own special requirements.

The highly effective manufacturing strategy that the company uses, a commitment to quality and the continuous dedication to innovation is the reason why Brakes India Limited has grown to such levels and will continue to do so.



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