

Salient points of Interaction with Mr Tom Flack, President & CPO, TML

April 01, 2020

Mr Deepak Jain, President ACMA welcomed Mr Tom Flack, President & CPO, TML for agreeing to interact with the ACMA leadership comprising the ACMA Past Presidents' Council and the ACMA Executive Committee. He thanked him for his support, especially, in these challenging times. Mr Jain sought guidance and support of Mr Tom Flack and his team in managing the COVID-19 disruption of the automotive supply chain as also resuming operations once the lockdown was lifted.

Mr Tom Flack stressed on the following points:

- **On Collaboration with suppliers:**
 - Urgent need to collaboration between OEMs and suppliers for survival of the industry
 - TML Taskforce to support and monitor the supply chain (400+ suppliers)
 - TML would be happy to share lessons from recovery and resumption of operations in China

- **On Working Capital challenge and addressing supplier issues:**
 - TML working towards clearing all supplier arrears/dues
 - a bill discounting scheme was under formulation
 - need of hour was conserving cash for TML as also for all in the supply chain
 - Individual suppliers need to engage with TML on issues of liquidating unsold BSIV inventory
 - If other OEMs do not support their suppliers on working capital/cashflow, then there would be a ripple effect on the entire automotive supply chain

- **On resumption of Operations:**
 - resuming operations would be a challenge, two plans put in place, commencing TML operations on April 16 and another for May 01, 2020 depending upon the readiness of the supply chain
 - one of the key issues would be whether labour would return by them
 - weekly schedules would be announced, however there could be variance depending on the situation

- **On future direction:**
 - TML is committed to localise (in India)
 - Market Volumes for immediate future – unsure, depend on recovery of economy and support from the government
 - However, pipeline for BSVI vehicles empty – significant opportunity for component suppliers

- **Next Steps:**
 - ACMA to create an interactive session with 3/4 leading CPOs from different verticals
 - ACMA to create a template of best practices and 'dos & don'ts' for its members.

The interaction ended with President ACMA thanking Mr Tom Flack for his candid views. Mr Jain sought Mr Flack's continued support and direction to the auto components sector.
