



Automotive Component Manufacturers Association of India

Minutes of 2nd Meeting of ACMA Executive Committee (Virtual)

Friday, November 24, 2023

List of members present at the meeting as also attendance at Executive Committee Meetings held so far is given at **Annexure I**.

Ms. Shradha Suri Marwah, President, ACMA welcomed all members to the 2nd ACMA Executive Committee meeting for year 2023-24.

The formal agenda was thereafter taken up for discussion.

Sl. No.	Agenda Item
1.	<p><u>Minutes and Matters: Confirmation of last EC Meeting Minutes</u></p> <p>The ACMA Executive Committee unanimously approved the minutes of the last meeting of the Executive Committee held on September 13, 2023.</p>
2.	<p><u>Welcome Remarks by Vice President, ACMA</u></p> <p>Ms. Marwah welcomed all members to the 2nd Meeting of ACMA Executive Committee 2023-24.</p> <p>She then briefed the Committee about the discussions in the Steering Committee Meeting held prior to the EC meeting. She mentioned that ACMA revenue continued to be healthy on the back of several domestic and international activities. The cost also remained controlled well within the budgetary limits. Further, the collection on the outstanding also remained satisfactory.</p>

President, ACMA also briefed the committee about the shifting of ACMA Centre of Excellence (ACoE) from the IIT Campus in Sonapat to SRM University, in the close vicinity and the new address is as follows:

Automotive Component Manufacturers Association of India
C/o SRM EDUCATION & RESEARCH INSTITUTE
Room number G3, G4, G5, G6
Engineering Block
Plot no 39, Rajiv Gandhi Education City
P.S. Rai, Sonapat, Haryana-131029

Ms. Marwah also mentioned that SRM University has offered 7,000 sq. ft. of space with no rental charges to ACMA; earlier ACMA was paying annual rental to IIT Delhi amounting to Rs. 67.2 lakhs. The waiver of rentals would allow the ACoE operations to break-even.

President ACMA also briefed the members of the meeting held on November 21, 2023 between ACMA leadership comprising President, Vice President, Chairperson Pillar 1 and Mr Deepak Jain, Past President, with the SIAM Sourcing Group led by Mr Sunil Kakkar, Sr. Executive Director, MSIL. The primary agenda of the meeting was to discuss the way forward for jointly addressing and managing the Government's expectations of the industry, especially on localisation. OEMs' expectations of ACMA is a long-term Roadmap on Quality, Capacity, Capability and digitisation as the industry transforms and readies itself for another growth phase until 2030 and beyond. This also calls for significantly more spend by the components industry on Design and Development.

It was also agreed that ACMA Leadership and the SIAM sourcing group would meet periodically to address issues of mutual concern.

3. **State of Industry - Presentation by Mr. Hemal Thakkar, Sr. Practice Leader & Director, CRISIL**

To make presentation on State of Industry, President, ACMA invited and welcomed Mr. Hemal Thakkar, Sr. Practice Leader & Director, CRISIL

The key points observed are as under:

❖ **Macro Economic Scenario**

- Faster growth in CY2023 however pace to taper during CY2024
- Macroeconomic indicators pointing towards a year of stable growth ahead for India

❖ **Passenger Vehicles**

- Industry moving towards premiumization, feature laden vehicles & electrification
- Industry to continue its growth momentum in FY24, albeit at a slower pace

❖ **Two wheelers**

- Industry sales still short of pre-Covid levels despite year-on-year increase
- Growth to continue, at a slightly tapered pace in FY25

❖ **Commercial Vehicles**

- Small commercial vehicle Industry trends - EV launches to closely watch for
- Consumer preference for higher tonnage segments in MAV and Tractor Trailer
- Infra spending to lead capex cycle; industrial capex to accelerate

❖ **Tractors**

- Improvement in farm income increasing demand for higher HP tractors
- Some improvement expected in tractor sales during FY25
- Uneven rainfall spread expected to impact kharif production; crop prices to support farm income

The detailed presentation by CRISIL is given at [Annexure II](#).

<p>4.</p>	<p><u>Update on Major Forthcoming Activities – Pillars & Regions</u></p> <p>To make a brief presentation on forthcoming key activities, President then invited each Pillar Chairperson and the Regional Chairperson.</p> <p>The details of all key forthcoming activities are captured in Annexure III.</p> <p>President thanked all Pillar and Regional Chairperson for their support and continued momentum on the activities front.</p>
<p>5.</p>	<p><u>A. Membership Status / New Membership etc.</u></p> <p>The committee approved membership of the following companies.</p> <p>New Members:</p> <p>19 Members were added:</p> <p><i>Ordinary Membership:</i></p> <ol style="list-style-type: none"> 1. Mega Audio International Private Limited, Delhi (NR) 2. OMCO Enterprises Private Limited, Faridabad (NR) 3. Rikki Plastic Private Limited, Faridabad, (NR) 4. Safil Auto India, Delhi (NR) 5. Wanfeng Aluminium Wheel (India) Private Limited, Rewari (NR) *** 6. Micro Turners, Panchkula (NR) *** 7. Impex Hi-Tech Rubber Private Limited, Ballabgarh (NR) *** 8. Nisiki Technologies Private Limited., Bangalore (SR) 9. Gishnu Gears Private Limited, Coimbatore (SR) *** 10. IPEC India Private Limited, Bangalore (SR) *** 11. Akar Auto Industries Limited, Aurangabad (WR) 12. Excel Autocomp Industries Private Limited, Pune (WR) 13. Kalyani Maxion Wheels Private Limited, Pune (WR) *** 14. Yeshshree Technology Private Limited, Pune (WR) 15. Gurudev Auto Industries Private Limited, Rajkot (WR)

	<p><i>Associate Membership:</i></p> <p>16. Rashmi Green Hydrogen Steel Private Limited, Kolkata (ER)***</p> <p>17. SAR Coatings LLP, Gurgaon (NR)</p> <p>18. Mod Tek Technologies Limited, Hyderabad (SR) ***</p> <p>19. Unitherm Engineers Limited, Mumbai (WR)</p> <p>Removals:</p> <p>1 Member was removed:</p> <p>1. Yeshshree Press Comps Pvt Ltd (WR) <i>(Company has applied for fresh membership in the name of Yeshshree Technology Pvt Ltd.)</i></p> <p>With the above additions and deletions, the ACMA Membership stands at 876.</p>
<p>6.</p>	<p><u>Interactive Session with Mr. Sunil Kakkar, Sr. Executive Director, Maruti Suzuki India.</u></p> <p>President, ACMA welcomed Mr. Sunil Kakkar to the interaction with ACMA EC. She requested Mr Kakkar to share his insights on the changing dynamics of the automotive industry in India and in particular of MSIL and their future plans, as also his expectations from the Suppliers' Community.</p> <p>Mr. Sunil Kakkar thanked President ACMA for the opportunity and expressed his delight for interacting with the ACMA EC.</p> <p>Following are the salient points of Mr Kakkar's address:</p> <p>a) On PV market trends:</p> <ul style="list-style-type: none"> • In FY23, the PV industry performed impressively touching 4 million units

- The PV market in India is expected to grow to 7 to 8 million units by 2030
- There has been a shift in consumer preference towards SUVs and MSIL, in accordance, is preparing itself to continue its leadership in the PV industry.
- Auto Industry in India and the world is undergoing a transformation, especially across powertrains. India has witnessed emergence of Alt. fuels and EVs. Currently EVs including Hybrids make up for only 2% of the PV market share, however the EVs will gather pace once they garner 4-5% market share, which is understood to be the inflection point.
- While PV sales in the rest of automotive nations are declining, India has the unique distinction of growing PV sales.

b) On Expectations of the Auto Components industry:

- It is heartening that the auto industry continues to work towards the localisation roadmap jointly developed by SIAM and ACMA. In FY 22 the industry was able to achieve localisation of Rs. 18,500 crore, however, due to regulatory changes and shifts in consumer preference, there was an additional import of Rs. 11,500 crore, resulting in net localisation of Rs 7,000 crore. This was achieved through 500 plus projects and investments of over Rs. 3,000 crore by the auto components industry. This is indeed very commendable and the industry needs to continue to work in this direction.
- Further, SIAM has published a digital library of auto components that need to be localised across all OEMs. ACMA needs to popularise this across its members to give impetus to localisation.
- The Government has been aggressive in issuing of QCOs with the intent of enhancing localisation. SIAM and ACMA should have a common stand in making recommendations to the Government in this regard.
- As the industry scales up, the auto components industry also needs to build capacity and capability, commensurate with OEM

	<p>requirements and in advance of the OEMs. This calls for flexible manufacturing practices, digitisation, making shopfloors at par with international levels and creating human capital across all levels to support the growth needs of the industry.</p> <ul style="list-style-type: none"> • It is also imperative that the industry continues to invest in Quality to become world-class. ACMA should create and implement a Roadmap for quantum jump in quality in the auto components sector. • Last but not the least, the industry needs to focus on sustainability. The auto component manufacturers need to put a plan in place for carbon neutrality and achieve the same much before the declared net zero year for India i.e. 2070. <p>Mr Vikrampati Singhania, Vice President, ACMA thanked Mr. Sunil Kakkar for joining the ACMA EC and for sharing his thoughts. He assured him that ACMA would seriously reflect on the direction given by him to the auto components industry and work jointly with the SIAM Sourcing Group towards localisation, capability building and carbon neutrality.</p> <p>The interaction ended with a round of applause for Mr Sunil Kakkar.</p>
7.	<p><u>Date of next meeting:</u></p> <p>President requested EC members to block their diary for Wednesday, January 24, 2024 as the date for 3rd Meeting of the ACMA Executive Committee for 2023-24 at Chennai.</p> <p>President advised the secretariat to communicate the exact details of meeting, in due course.</p> <p>The meeting ended with a Vote of Thanks to the Chair.</p>

There being no other matter, the Vice President called the meeting to a close.

Shradha S Marwah
President

Vinnie Mehta
Director General