



Automotive Component Manufacturers Association of India

Minutes of 5th Meeting of ACMA Executive Committee Held on 03rd May 2019; Taj Mahal, Mansingh Road, New Delhi

List of members present at the meeting is given at [Annexure-I](#).

Mr Ram Venkataramani, President, ACMA welcomed all members of the ACMA Executive Committee.

President ACMA extended a hearty welcome to Mr. VK Mehta and Mr. Surinder P. Kanwar, Past Presidents', ACMA for joining the Executive Committee.

Prior to taking up of the formal agenda of the meeting, President ACMA, for the benefit of the members who had missed the previous EC meeting, recapped the salient points of the EC meeting held in Vijayawada. He mentioned that it was for the first time ACMA EC meeting was held in Andhra Pradesh wherein an interaction with the Andhra Pradesh Economic Development Board (APEDB) was organised. That apart, representatives of OEMs such as KIA Motors, ISUZU and Hero MotoCorp and suppliers such as Bharat Forge and AMARA Raja Batteries shared their experience of investing in AP.

Thereafter, President ACMA briefed the EC on key points discussed during the STC meeting held earlier that day.

- ACMA Pillar 4 under, the Chairmanship of Mr. Vikrampati Singhania, had proposed to organise 'ACMA Capital Raise' a facilitation platform for raising capital for Small / Mid-Sized Companies. ACMA had approached Price Waterhouse Coopers (PwC) to help and guide small and mid-sized companies in preparing to make investment pitch(s) and subsequently meet up directly with potential investors, for purposes of raising capital. The activity would involve several workshops, across all regions, with ACMA members.
- The STC had felt the need to conduct a 'Membership Survey' to ensure that the ACMA services were in tune with the changing needs and expectations of ACMA members. A similar such survey was conducted 4 years ago, and considering the significant changes being encountered by the industry, there was a need to recalibrate ACMA services as also make it future ready. Proposals had been received from several leading consultants including PwC, EY, Frost & Sullivan, Market Excel and Grant Thornton. Once all proposals evaluated, the STC would finalise the agency to conduct the survey.

Mr Venkataramani then commenced the meeting.

Prior to taking up the formal agenda, President ACMA apprised the Committee of the overall Quality Certifications in ACMA Membership as:

Quality Certifications	Total no. as on 03 May 2019	Total no. as on 16 May 2018
ISO 9001	750	724
TS 16949	583	596
ISO 14001	338	352
OHSAS 18001	232	218
JIPM	4	4
TPM	15	15
Deming Prize	18	16
Japan Quality Medal	5	5
Shingo Silver Medallion	2	2

The formal agenda was thereafter taken up for discussion.

No.	Agenda Item	Action Point
1.	<p><u>Confirmation of last EC Meeting Minutes</u></p> <p>Committee approved the minutes of the last meeting of the Executive Committee held on 15th March 2019 at Vijayawada.</p>	
2.	<p><u>Review of Pillar Activities</u></p> <p>Committee acknowledged the receipt of MIS report of each Pillar, which had been circulated earlier with Agenda.</p> <p>To share key events organised and those planned, Pillar and sub-pillar Coordinators made a brief presentation to the committee.</p> <p>Pillar 1 on Business Development</p> <p>Key Highlights Domestic</p> <ul style="list-style-type: none"> - Meeting with vendor development team of TAFE on 19th March 2019 (TAFE agreed to visit and support the BSM scheduled on 3rd and 4th June 19 in Chennai - Technology Show with Tata Motors, Pune held on 20th March 2019 - A gathering of 450 + participants mainly from Engineering, Production and Quality attended. - Total 66 companies applied out of 20 were 	

- selected for the first batch.
- Mr. Tom Flack and his team spent a lot of time engaging with all exhibiting members.
- ACMA Madhya Pradesh Meet held on 27th April 2019
- ACMA opened its new office in Madhya Pradesh
- VECV was involved actively in the ACMA Madhya Pradesh Meet, they have confirmed on directing their 40-45 suppliers to become ACMA members in due course.
- VECV have shown desire to engage with ACMA in Skill Development Programs.
- 6th ACMA MSME Summit held on 2nd May 2019

International

- Automechanika Istanbul held during 4-7 April, 2019 at Turkey with 14 members group participation.
- Automec Brazil (Light, Heavy & CV) held during 23-27 April 2019 at Sao Paulo, Brazil. 16 member companies participated.

Forthcoming Activities

Domestic

- EV Localisation Conference & Exhibition: 15 May, 2019 in New Delhi
- CFT Raw Material: Raw Material Conclave, 02 July, 2019, New Delhi
- ACMA Safer Drive Road Show: 18 May, 2019 in Nigdi, Pune
- Buyers Sellers Meet: 3-4 June, 2019 in Chennai
- IPO Forum Meeting: 4 June, 2019 in Chennai
- Value Chain Summit: 26-27, July, 2019 in Ahmedabad

International

- Automechanika Dubai: 10-12 June, 2019
- Automechanika Moscow: 26-29 Aug, 2019
- Tech Expo with OES in Germany & Netherlands: 11-16 Sept, 2019
- iAutoConnect 2019: 26-27 Sept, 2019, Noida
- North American Commercial Vehicle Show (NACV): 28-31 October, 2019
- AAPEX Show 2019, Las Vegas: 5-7 Nov, 2019

Pillar 2 on Government Advocacy, Regulations and Research

Public Policy

- ACMA-SIAM joint meeting on show cause notices issued by DGGI to various component vendors on drawing/specification issue being taken with MOF
- Discussion with Electric Buses, Three-wheeler and Two-Wheeler Manufacturers on Localization as per the directives from DHI
- Discussion on RCEP with DOC

Research

- Released:
- ACMA - IHS White paper on Light Weighting (available for members on ACMA website)
- Work in Progress:
- ACMA Membership Survey Proposals Discussions with PWC, F&S, EY, Market Xcel and Grant Thornton
- Annual Update on Electric Mobility Market Dynamics by PWC
- ACMA Study on Aftermarket Standards

Regulations

- SIAM-ACMA joint Conference on International Material Data System (IMDS) & End of life Vehicles (ELV) was held on 18 Mar'19.
- Courtesy visit to Dr Sanjeev Ranjan, Secretary, MoRTH held on 11 Apr'19 to update on Issues of Automotive Industry
- Meeting at DHI on preparedness for implementation of BS-VI Norms held on 15 Apr'19 to discuss availability of BS-VI auto Fuels.
- ACMA Conference on Light Weighting held on 30 April 2019 to curtail Emissions, increase fuel efficiency in IC Engines and Range in Electric Vehicles.

Pillar 3 on Skilling, Training & Mentoring

& Leadership Development: The pillar includes ACT clusters, ACMA Awards, ACoE, ASDC, YBLF and HR and Region-specific activities for the membership.

Clusters Programs

- 22 Cluster programs currently running with 131 companies enrolled.
- ACMA 1st HR Cluster in coordination with HR & IR Sub Pillar. Launch scheduled in June 2019.
- ACMA (Short duration 3, 6, 9, 12 months) Cluster Programs introduced based on specific company requirements.

- After the successful culmination of 1st Cluster Program with 11 companies, the 2nd ACMA Lakshmi Machine Works (LMW) QCD Supplier Excellence Program Cluster with 18 companies launched.

ACMA Awards 2018-19

- Circular released inviting applications for current year.
- Awards will be distributed during ACMA Technology Summit (5th Edition) on 25th and 26th November in Pune.
- Awareness sessions for filing applications have been planned at ACMA Regional offices as per
- Chennai: 14th May 19
- Jamshedpur: 17th May 19
- Pune: 21st May 19
- New Delhi: 27th May 19

ACMA Centre of Excellence (ACoE)

- 1st Interaction Meeting with ACoE Knowledge Partners held during 27-28 March 2019. Meeting held with
- AOTS, Japan
- Cardiff University, UK
- IIT, Delhi
- MACE
- UNIDO
- Running several training programs designed for the members with Knowledge Partners.
- State-of-the-art Mechatronics Lab successfully completed and running.
- Design Lab expected to be functional by end of May 19
- Proposed Labs for Safety (in consultation with Dupont), 5 Senses, & Behavioural Lab.
- ACMA collaborating with CDTI, Spain for R & D
- Discussions with Tel Aviv University, Israel for collaboration in ACoE courses.

HR and IR

Activities held

- Sessions on Building High Performance Team & Goal Setting held on 12th April, 2019 in New Delhi
- Workshop on Emerging Trends in HRM (Uttarakhand Zone) held on 22nd April, 2019 in Haridwar

Forthcoming Activities

- Launch of 5th Compensation Survey during May / June, 2019
- 8th NR HR Conclave: 'Preparing the Industry for Next Generation Mobility', scheduled for 24th July, 2019

YBLF

- **Finance & Strategy Session, 19th March 2019, Gurgaon**

- Strategy Session with Mr. Nishant Arya, Executive Director, JBM Auto Ltd. on "Future of EV in India"
- Finance Interaction Session with Mr. Pradeep Singh Jauhar, MD & CEO, Jamna Auto Industries on "Roller Coaster Turn Around of Jamna Auto"

- **Finance & Strategy Session, 1st May 2019, New Delhi**

- Strategy Session with Goldratt Consulting on "Business Model Innovation"
- Session with Mr. Varun Malhotra, Lead Instructor & Founder, FLAP (Financial Literacy Awareness Program) on "Investing - The Warren Buffett Way"

Regions

ACMA Regions have been executing various training programs periodically for the membership.

The number of programs held in each region are as under:

North - 25, East - 6, West - 6, South – 8.

Pillar 4 on Overseas Investments and International Alliances

Key Activities

Meeting with Taiwan Delegation in Bangalore & Ahmedabad; 29-30 April 2019

Forthcoming Activities

- India Automotive Industry Forum and Business Match Making Event scheduled during 7-8

	<p>May'19 at Nagoya, Japan</p> <ul style="list-style-type: none"> - G7 Meeting “Global Suppliers Associations meeting”; 21-22 May 19 at Yokohama, Japan - ACMA Capital Raise - Facilitating / Preparing SMEs to raise Capital. <p>Awareness sessions scheduled at ACMA regional offices</p> <ul style="list-style-type: none"> - New Delhi 28th May 19 - Pune 30th May 19 - Chennai 3rd June - Business Match Making Event in South Korea (coinciding with KOAA Show) scheduled during 15-19 Oct'19 - ACMA CEOs' Investment Mission to USA & Mexico scheduled during 30 Sept-04 Oct'19 - Global SME Technology Partnership Meet scheduled during 06-07 Feb'20 <p>Additionally, for the benefit of members formation of 'ACMA Mentor Group' has been accomplished, it aims towards providing advice and guidance to SME companies willing to enter strategic alliances.</p> <p>The group is further divided into 4 core areas and following mentor strength:</p> <p>Joint Venture: 12 Mentors</p> <p>Technical Alliance/ Partnership: 6 Mentors</p> <p>Overseas Acquisition: 8 Mentors</p> <p>Domestic Acquisition: 4 Mentors</p> <p>Pillar 5 on Media Interface continues to promote ACMA as the apex body of Automotive Components and showcases its initiatives through all media sources and social sites.</p> <p>The detailed presentations on each pillar – key activities held and forthcoming ones, is enclosed as Annexure-II</p>	
<p>3.</p>	<p><u>State of Industry:</u></p> <p>To make a presentation on the vehicle industry trends and quarterly projections, ACMA Executive Committee welcomed Mr. Hemal Thakkar, Associate Director, CRISIL.</p> <p>The presentation focussed detailed the Macroeconomic trends such as fuel prices, rural demand, cost of borrowing, freight demand, inflation etc.</p> <p>The key points observed in various</p>	

vehicle segments are as under:

Two Wheelers:

- Increasing penetration of credit bureau and competition among financiers to boost LTV ratios.
- Finance penetration to remain at current levels.
- Regulation timeline and Price Impact.
- Utilisation rates to rise in fiscal 2020.
- HMSI / TVS expand their share, but Bajaj maintains its clear lead.

Passenger Cars:

- Fuel prices have turned adverse as compared to last year
- Expected fall in fuel prices and upcoming model launches are expected to turn PV sales sentiments.
- Better income prospects and paced road development expected to help better demand.
- Loan to Value on upward trajectory since last few years.
- Disbursements towards UV's to continue to derive PV disbursement.
- Regulations shaping passenger vehicle industry in India.
- Poor sales in H2 FY19 has dampened utilization level.
- Exports of small cars share has improved in FY 19

Commercial Vehicles:

- Demand to remain robust across CV segments
- Freight rates on a downward trend due to falling diesel price.
- Regulations shaping commercial vehicle industry in India.
- Higher Capacity Utilization to help improve margins.
- CV financing to remain key monitorable as repo rate expands.
- CV Financing industry hits road to recovery, to show robust growth in medium term.

Tractors:

- Positive agriculture, commercial and finance scenario support to help growth.
- Increased credit availability and lower interest rate is expected to impact tractor sales positively.
- Improvement in irrigation and rural income expected to have positive impact
- West region tractor sales remain flat in last five year

due to draught condition in many areas.

- Capacity utilization is expected to increase in fiscal year 2019
- Tractors export to see a healthy growth in fiscal 2019 before moderating in fiscal 2020.

Three Wheelers:

- Private Consumption on an Uptrend
- Urban population to rise 2.4% until fiscal 2020
- OEMs launching new products will be key driver for future Demands
- Growth in disbursements shows promising picture for three-wheeler industry.
- Export grown at a CAGR of -10% from FY 14 to FY19

Growth Projections for FY 20:

Cars	5-7%
UVs & Vans	1-3%
Motorcycles	3-5%
Scooters	1-2%
LCV (<3.5T)	8-10%
LCV (3.5-7.5T)	(2)-(4)%
MHCV	9-11%
Buses	1-3%
Tractors	2-4%

The detailed presentation is attached as [Annexure-III](#)

4. Membership Matters:

The committee approved membership status of following companies.

A. New Members:

Ordinary Membership:

- (i) Rukman Udyog, New Delhi, (NR)
- (ii) Mehta Automotive Pvt. Ltd., Ludhiana, (NR)
- (iii) Allied Transmission & Gears Pvt. Ltd., Sonapat, (NR)
- (iv) Meneta Automotive Components Private Limited, Sonapat, (NR)
- (v) Delfingen India Private Limited, Pune, (WR)
- (vi) Yoshika Engineering Pvt. Ltd., Pune, (WR)
- (vii) DIEHL Metal India Pvt Ltd, Pune, (WR)
- (viii) Protectron Electromech Pvt. Ltd., Bangalore, (SR)
- (ix) Okemo India, Gurgaon, (NR)

	<p>(x) Lee Spring Company India Pvt. Ltd., Bangalore, (SR)</p> <p>(xi) Shree Ganesh Metal Works, Aurangabad, (WR)</p> <p>B. Resignations:</p> <p>(i) Aspee Precision Components Pvt. Ltd., Chandigarh, (NR)</p> <p>(ii) Beta Industrial Products Chennai, Delhi, (NR)</p> <p>(iii) Citizen Press Components, Ludhiana, (NR)</p> <p>(iv) Deep Precision Industries, Rohtak, (NR)</p>	
<p>5.</p>	<p>Appointment of Scrutineers Executive Committee Elections 2019-20:</p> <p>Committee noted that the process for election of members to the Executive Committee for the year 2019-20 was scheduled to commence from 3rd June 2019 by issuance of notice to all members inviting nominations. The last date of receiving nominations was mentioned as 17th June 2019.</p> <p>The committee consented to appoint M/s K.K. Khanna & Co., Chartered Accountants as Scrutineers for the ACMA's Executive Committee Election 2019-20 and passed the following Resolution was adopted.</p> <p>“Resolved that M/s K.K. Khanna & Co., Chartered Accountants, be and is hereby appointed as Scrutineers for the Election of ACMA Executive Committee and Regional Chairmen for 2019-20.”</p>	
<p>6.</p>	<p><u>Date of next meeting:</u></p> <p>President mentioned that the next meeting i.e. the 6th and final meeting of the Executive Committee 2018-19 is scheduled for on Friday – July 26, 2019, coinciding with the ACMA Value Chain Summit in Ahmedabad.</p> <p>The venue details of meeting will be shared in due course.</p> <p>President requested all EC members to attend the last and final meeting for the ACMA year 2018-19.</p>	

7. Interaction with Dr. A R Sihag, Secretary, DHI

President, ACMA welcomed Dr. A R Sihag, Secretary, Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India for an interactive session.

Dr. Sihag in his opening remarks mentioned that the auto component industry needed to work in close collaboration with the Government as also new stakeholders, especially in light of e-mobility and other disruptive challenges facing the industry. He stressed on the need for collaborating with e-mobility stakeholders, outside of the conventional IC engine driven automotive industry ecosystem, for the component industry to stay relevant.

Further, he stressed that e-mobility needs to be seen as an opportunity rather than threat. However, for this, the industry needs to be appropriately prepared. It is in this context the recently announced FAME-2 scheme and the Phase Manufacturing Program (PMP) of the DHI are focussed on localisation and creating opportunities for the domestic auto component industry.

Elaborating on the FAME-2 scheme, Dr Sihag mentioned that the policy seeks to promote one million Electric Two Wheelers, half-a-million Three Wheelers, 55,000 Taxis (35,000 – Electric and 20,000 Hybrid) and over 7,000 Buses.

A total of Rs. 10,000 crore has been earmarked for the purpose which will be based on the power of the battery, with government specifying the minimum performance parameters:

- Rs 10000 / per KW for all categories of vehicles except buses
- Rs 20000 / per KW for Buses

Further, various State Governments in consultation with the DHI are expected to announce their own incentive schemes as well.

Dr. Sihag stated for charging Infrastructure the DHI had allocated Rs.1,000 Cr. 2,500 charging stations would be set up along major highways as also in around 50 big cities.

In his closing remarks, Dr. Sihag requested all ACMA members to heartily showcase their capabilities at the 'xEV Localisation Conference & Exhibition' to be organised on 15 May 2019 in New Delhi, which was being organised by ACMA under the aegis of the DHI.

The President thanked Secretary, DHI for a candid discussion and for sharing his views with the ACMA EC members.

8. Interaction with President SIAM and Treasurer SIAM

President, ACMA welcomed Mr. Rajan Wadhwa, President SIAM and President Automotive Sector, Mahindra & Mahindra Ltd. and Mr. Vinod Aggarwal, Treasurer SIAM and MD & CEO, VE Commercial Vehicles Ltd.

President SIAM briefed that in the year gone by i.e. FY 19, the first-half witnessed robust industry performance, however the performance of the industry in the second-half

was lacklustre. Most SIAM members registered a single digit growth in FY19.

Focussing on the current fiscal year FY 20, the sales continued to lag, largely owing to uncertainty as a result of the election period, the industry however expects growth to rebound after the elections. That apart, pre-buying in the second-half of FY 2020 due to introduction of BSVI in April 2020 will also improve the overall sales.

Talking especially of the CV industry, President SIAM mentioned that non-availability of Finance from the NBFC could pose a deterrent in the off-take of CV sale in short to medium term.

On the Scrapage Policy, President SIAM mentioned that while the current bill had expired, SIAM would continue to advocate for vehicle Scrapage, especially to tackle the dual challenge of pollution in large cities as also debilitating vehicle sales, however if the government affixed 15 years or more as the age of vehicles to be scrapped, then the policy might not have the desired impact.

Speaking on readiness of the industry on the front of BSVI, President SIAM mentioned that while he was confident that the vehicle industry would be ready by the due date i.e. March 31, 2020, he expressed concern on the readiness of the fuel companies and availability of BSVI fuel across the length and breadth of the country by March 31, 2020, which could prove to be a dampener in an effective transition, he mentioned.

That apart, introduction of stringent CAFÉ (Corporate Fuel Average Efficiency) norms by 2022 could create situation for faster adoption of e-mobility.

Referring to the recently announced FAME-2 scheme of the Government of India, President SIAM mentioned that SIAM strongly believed in 'Make in India' and that its members were committed to localisation of EV components as against importing. In this context, SIAM welcomes the PMP program of the DHI.

India needs to promote hybrid technology as opposed to pure electric as the former allows for the conventional IC engine technology to co-exist with the battery technology, he added.

President SIAM stressed on the need for developing local technologies, especially in light of the fact that the industry is facing several challenges on the regulatory front as also introduction of e-mobility. ACMA and SIAM should jointly convince the government to set up world class R&D centres as opposed to testing/certification centres alone.

President, ACMA thanked President, SIAM and Treasurer, SIAM for having spent their time with ACMA Executive Committee Members and for the candid discussion.

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

The meeting ended with a vote of thanks to the Chair.

Ram Venkataramani
President

Vinnie Mehta
Director General