



Automotive Component Manufacturers Association of India

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

Friday, December 2, 2022

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, Vice President, ACMA welcomed all Past Presidents and members to the 2nd ACMA Executive Committee meeting for year 2022-23.

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 12, 2022.</p>
2.	<p><u>Welcome Remarks by Vice President, ACMA</u> <i>(President, ACMA could not chair the meeting as he met with an accident)</i></p> <p>Ms. Marwah welcomed all members to the 2nd Meeting of ACMA Executive Committee 2022-23. She also welcomed and thanked the Past Presidents for joining the EC meeting.</p> <p>Vice President, ACMA started the meeting on a sombre note by expressing grief on the untimely passing away of Mr Vikram S. Kirloskar, Vice Chairman, Toyota Kirloskar Motor on November 29, 2022.</p>

She mentioned that Mr. Kirloskar was a very humble person, a great advocate of the auto component industry, an exceptional leader, a great human being, a friend to many in the automotive ecosystem and much more.

Mr. Kirloskar was President of SIAM from 2013-15; and of CII for 2019-20 and was currently leading the CII Manufacturing Council as its Chairman.

ACMA collectively mourned his passing away and prayed to the God to give his family the strength to bear this irreparable loss.

Mr. Marwah then requested everyone to observe a minute of silence in Mr. Vikram Kirloskar's memory and prayed for his soul to attain eternal peace.

Vice President, ACMA then took the opportunity on behalf of ACMA and the entire Auto Component fraternity to congratulate Mr. L. Ganesh, Past President, ACMA (2000-2001) and Chairman, Rane Group on being conferred with the prestigious Deming award for outstanding contribution in dissemination and promotion of total quality management (TQM). She mentioned that Mr. Ganesh is the third Indian and fifth globally, to be bestowed with this prestigious award for his contributions.

Ms. Marwah wished Mr. Ganesh great success and many more such accolades.

Vice President, ACMA then requested everyone to pass a motion congratulating him, with a round of applause from the Executive Committee.

She then briefed the Committee about the discussions in the Steering Committee Meeting held prior to the EC meeting. She mentioned that ACMA revenue for the period April-Sept 2022 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.

3. **Presentation by BEN on Global Opportunities for the Indian Auto Component Industry**

To make presentation on Global Opportunities for the Indian Auto Component Industry, Vice President, ACMA invited and welcomed Mr. Mr. Sivakumar Thulasidoss, Co-founder, BEN.

Mr. Thulasidoss in his presentation shared with the EC members Global opportunities for the Indian Auto Components Industry.

The key points observed are as under:

A.
Theme 1: Growing in Adjacent Sectors

1a Power Generation

- Factors Driving the Opportunity (US Centric)
 - Increasing intensity/ frequency of natural phenomena such as hurricanes and wildfires
 - Massive infrastructure growth, including repair/ expansion in road networks, railway networks, airports etc.
 - Underlying need to diversify supply chain in order to decouple/ de-risk from a single supply hub
 - Cost down pressures and a dire need to restore the overall financial health
 - Penetration into new product segments such as hydrogen-based / gas-based power generation equipment

1b Railway Segment

- Factors Driving the Opportunity (US Centric)
 - Modernization of the existing fleet/ infrastructure to improve passenger experience
 - Focus on decarbonizing the transportation industry, including railways
 - Investments in light rail networks to expand transportation infrastructure
 - Significant improvement in on-time performance/ investments in high speed railway networks
 - Reduction in maintenance cost to achieve better total cost of operations, and thereby push market expansion

1c Defence Electronics

- Factors Driving the Opportunity (US Centric)
 - Whitespace in defense electronics supply chain in India –a clear lack of capable systems integration and hardware development support ecosystems

- Offset commitments fulfilment
- Make in India and Atmanirbhar Bharat campaigns

B.
Theme 2: Global Revenue Growth

- Sub Segments
 - Electricals and Electronics
 - Small and Medium Castings/ Forgings
 - Engineered Non-proprietary Parts
- Key areas to focus
 - Global Sales (OEMs + Tier 1s)
 - Contract Manufacturing
- Factors Driving the Opportunity
 - Global Majors are disproportionately investing in eMobility and New Automotive
 - Underlying need to diversify supply chain in order to decouple/ de-risk from a single supply hub
 - Inflationary pressures making cost structures more and more unviable in Europe and in US to some extent
 - Resourcing programs as the volumes are reducing for ICE models; nudging existing suppliers to opt out in some cases

C.
Theme 3: Initiation and Growth in eMobility and ADAS

- Sub Segments (Non-Exhaustive)
 - EV Battery Pack and BMS
 - e-Motor and Controller
 - Converter and Onboard Charger
 - e-Axle/ Drive Unit
 - Charging Infrastructure
 - Sensors and Software
- Key areas to focus
 - Market Assessment
 - Manufacturing Planning, Process & CAPEX Setup
 - M&A/ Technology Acquisition
- Factors Driving the Opportunity
 - While matching world class standards in Mechanical and Electro Mechanical aggregates, Indian Auto Component

	<p>Industry, as on date, generally are a step behind when it comes to Electronics and Embedded Software</p> <ul style="list-style-type: none"> • Interesting majority of the eMobility and ADAS technologies are developed globally by small and mid-sized firms and even large Global Tier1s are eyeing on acquiring these companies to build their capabilities • Indian Auto Comp Cos, based on their risk appetite and focus areas, have to look at forging TTAs/JVs/M&As to build capabilities for the future. Technology acquisition coupled with their frugal Engg. and Mfg. know how could be a potent combination to achieve Global scale <p>The detailed presentation by BEN is given at Annexure II.</p>
<p>4.</p>	<p><u>Update on Major Forthcoming Activities – Pillars & Regions</u></p> <p>To make a brief presentation on forthcoming key activities, Vice 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>Vice President thanked all Pillar and Regional Chairperson for their support and continued momentum on the activities front.</p> <p><u>Update on AUTO EXPO 2023</u></p> <p>Date & Venue:</p> <p>Components Show: January 12 to 15, 2023, Pragati Maidan, New Delhi</p> <p>Motor Show: January 12 to 18, 2023, 2023, Greater Noida, U.P</p> <p>Highlights at Components Show:</p> <ul style="list-style-type: none"> • 60,000 sq.mts. Space • Over 800 companies Participation from 15 countries • New Exhibition Halls – 2, 3, 4 & 5 (Ground & 1st Floor) • 6 Country Pavilions: - Germany, UK, Japan, South Korea, Poland, and Taiwan

	<ul style="list-style-type: none"> • Technovation Pavilion - Innovation / Start-up / EV, and Safer Drives Pavilion by ACMA • Underground Car Parking for Exhibitors
<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>18 Members were added:</p> <p><i>Ordinary Membership:</i></p> <ol style="list-style-type: none"> 1. Indian Polymer Industries, Mohali (NR) 2. Trontek Electronics Private Limited, New Delhi (NR) 3. Sterling Gtake E-Mobility Limited, Faridabad (NR) 4. FCC Clutch India Private Limited, Gurgaon (NR) 5. ALP Aeroflex India Private Limited, Gurgaon (NR) 6. Shekhar Brothers, Faridabad (NR) 7. Srujana Enterprises, Bengaluru (SR) 8. RIJ Engineering Pvt Ltd., Mumbai (WR) 9. Vibes Components Private Limited, Pune (WR) 10. Tropicool Car Gadgets P Ltd, Pune (WR) 11. Denso Haryana Private Limited, Gurugram, NR 12. Arasna Industries, Mumbai, WR 13. Anil Plastics & Enterprises, Pune, WR 14. Setco Auto Systems Private Limited, Mumbai, WR <p><i>Associate Membership:</i></p> <ol style="list-style-type: none"> 15. IRC Supply Chain Solutions Limited, New Delhi (NR) 16. Nysha Mobility Tech Private Limited, Bengaluru Rural (SR) 17. Bhimrajka Mader Coatings Private Limited, Mumbai (WR) 18. JSB Aluminium Private Limited, Bhiwadi, NR <p>Removals:</p>

2 Members were removed:

1. PRS Permacel Pvt Ltd (WR)
(Acquired by Saint Gobain and it will be soon merged with their group company Grindwell Norton Ltd)
2. Twenty First Century Auto Locks Pvt Ltd (ER)
(Company has merged with a Non-auto component manufacturer.)

Resignations:

6 Members, resigned:

1. Paras Auto Industries (NR)
(Hike in membership charges)
2. SLR Metaliks Ltd (NR)
(Not interested to continue)
3. Rane Engine Valves Ltd (SR)
(Not interested to renew membership as other group companies are members)
4. B Catma (WR)
(Cash Flow issues)
5. Setco Automotive Ltd (WR)
(Sale of their Clutch business to Setco Auto Systems Ltd; in the process of becoming member with new company)
6. SM International (NR)
(Not interested to continue)

With the above additions and deletions, the ACMA Membership stands at **815.**

5. **Interactive Session with Mr. Mahesh Babu, Global Chief Executive Officer, Switch Mobility Ltd.**

Vice President, ACMA welcomed Mr. Mahesh Babu to the interaction with ACMA EC. She requested Mr Babu to share his insights into the changing dynamics of the automotive industry in India and in particular of Switch Mobility and the future plans of Switch, as also his expectations from the Suppliers' Community.

Mr. Mahesh Babu thanked Vice President ACMA for the opportunity and expressed his delight for interacting with the ACMA EC.

Following are the key highlights of the interaction:

Global EV Industry

- Continuous growth in all EV categories resulted the industry to cross ~7Mn units globally

Indian EV Industry

- Clocked ~0.43 mn units in FY'22 inclusive of 2W, 3W, 4W and Electric Buses

Indian EV industry Outlook

- EV growth faster than expected across segments inclusive of 2W, 3W, 4W and Electric Buses
- Indian EV Market is estimated to cross 11 million units by FY30 at an overall EV penetration of 35%
- Bus EV market estimated to be at 40% penetration

Aggressive levels of investments in the EV space

- 30% EV Adoption Rate Across Vehicle Segments by 2030
- USD 20 Billion Projected FDI inflow by 2030
- 10 million EVs to be sold in India by 2030
- USD 6+ billion Investment already committed by OEMs

- USD 14 billion import bill reduction by EVs by 2030

Global Learnings - Europe

- Charging Ecosystem
- Consortium of OEMs
- Consumer Acceptance

Global Learnings - China

- Quicker Collaboration
- Government Support
- Consumer Acceptance

India's Commitment

- Net Zero by 2070
- New Fossil capacity to be 500 GW by 2030
- Reduce emissions intensity of its GDP by 45% by 2030

Switch Democratising Zero Carbon Mobility

- Identified opportunity in Public transportation and Last mile connectivity

“Supply Chain” to “Value Chain” – Area for focus

- Indigenous EV Components
- Mobility as a Service
- Software & Connectivity
- Charging
- Global Value Chain

Ms. Shradha Suri Marwah, Vice President, ACMA thanked Mr. Mahesh Babu for joining the ACMA EC and sharing a very insightful presentation with the ACMA Executive Committee members on the subject.

The interaction ended with a round of applause by the EC members.

7.	<p><u>Date of next meeting:</u></p> <p>Vice President requested EC members to block their diary for Friday, February 3, 2023 as the date for 3rd Meeting of the ACMA Executive Committee for 2022-23 at Jamshedpur.</p> <p>She 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>
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There being no other matter, the Vice President called the meeting to a close.

Shradha S Marwah
Vice President

Vinnie Mehta
Director General