



Automotive Component Manufacturers Association of India

Minutes of 3rd Meeting of ACMA Executive Committee (Virtual)

January 21, 2022

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

Mr. Sunjay J Kapur, President, ACMA welcomed all Past Presidents and members to the 3rd ACMA Executive Committee meeting for year 2021-22.

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 November 12, 2021.</p>
2.	<p><u>Welcome Remarks by President, ACMA</u></p> <p>Mr. Sunjay J Kapur, President ACMA started the meeting on a sombre note. He mentioned that ACMA Secretariat had lost one of its longest serving staff Mr. Rajeshwar Rai a few days before the EC meeting. He continued to mention that ACMA had also lost another of its dedicated staff in the month of December, Mr. Abhishek Chopra who used to manage the ACMA IPO forum.</p> <p>The ACMA Executive Committee observed a minute of silence in memory of the departed souls and prayed for their eternal peace.</p>

President then took some time briefing the committee members about the discussions / decisions taken in the STC meeting held prior to the EC meeting.

- **ACoE**

Various Lab Sponsorship options were put forth to the Steering Committee by the secretariat for their views to make CoE more sustainable and profitable.

- **Revision in Membership Fee**

A proposal with revised membership fee for ACMA Members was put forth to the committee for their views and approval. It was noted that the last revision in membership fee was done in year 2004.

- **Annual Sponsorships**

A proposal seeking sponsorship from members at start of the year instead of approaching every time before any event was presented to the STC members seeking their views.

- **Auto Expo 2023:**

President then informed the committee members about the dates of the next Auto Expo that were finalised:

Auto Expo: The Motor Show,

Dates: 11 – 18 January, 2023

Venue: India Expo Mart, Greater Noida, Delhi NCR

Auto Expo: Component Show

Dates: 12 – 15 January, 2023

Venue: Pragati Maidan, New Delhi

Mr Kapur stated that the Auto Expo will now happen in odd years and will alternate with ACMA Automechanika New Delhi in the even years.

	<p>He then requested all committee members to make a note of this and also block their diaries for the Auto Expo.</p>
<p>3.</p>	<p><u>State of Industry - Discussion</u></p> <p>Whilst the overall sentiments of the PV segment are good and looks promising going forward. The Two-Wheeler and the Commercial Vehicles segments are facing huge challenges. Volatility is still lingering and supply chain issues are persistent.</p> <p>Key points from the discussion:</p> <p>OEM and Exports</p> <ul style="list-style-type: none"> - Industry in total turmoil - Semi-Conductor Issues creating supply chain shortages. - Increase in Commodity prices affecting mostly Tier 2 and Tier 3. - Tier 1, Tier 2 and Tier 3 suppliers that are catering to Two Wheelers and CV industry are struggling. <p>Aftermarket</p> <ul style="list-style-type: none"> - Aftermarket getting good demand and promises for growth going forward. <p>SME</p> <ul style="list-style-type: none"> - Export market seems buoyant for now - Receiving good pent up demand. - Raw Material prices affecting small businesses. <p>Commercial Vehicle</p> <ul style="list-style-type: none"> - CV segment slowly picking up - Tipper segment to be amongst first to show good sales figures. <p>Raw Materials</p> <ul style="list-style-type: none"> - In December 2021, prices of Steel and Non-Ferrous decreased slightly and shall continue in January 2022.

	<ul style="list-style-type: none"> - However, the prices remain high when compared with December 2020.
<p>4.</p>	<p><u>Interactive Session with Mr. Ram Kuppuswamy,</u> <u>Chief Procurement & Supply Chain Officer, Hero MotoCorp</u></p> <p>President, ACMA welcomed Mr. Ram Kuppuswamy, and congratulated him on taking over as the Chief Procurement & Supply Chain Officer at Hero MotoCorp. He requested Mr. Kuppuswamy to share his insights with the Executive Committee Members on the following:</p> <ul style="list-style-type: none"> - The dynamics of the two-wheelers industry, especially in light of the current challenges as also how the industry is transforming itself with increased focus by the Government on electric mobility. - Share Hero MotoCorp’s perspective as it continues on a journey of excellence, as also your - Expectations of the auto components Industry. <p>Mr. Ram Kuppuswamy thanked President ACMA for the opportunity and expressed his delight in interacting with the ACMA EC.</p> <p>Following are the key highlights of the interaction:</p> <ul style="list-style-type: none"> • Mr. Kuppuswamy started his interaction by giving a brief about himself and specifically highlighting that he loves solving complex problems together with smart people and learning from them. • He stated that he enjoys helping others achieve their dreams. • Mr. Kuppuswamy shared that his experience working across the globe has given him fair amount of Idea why India can be a global manufacturing hub in the coming years due to its costing

	<p>that's at offer, the superior quality of products and the backend support.</p> <ul style="list-style-type: none">• On the front of Electric Mobility, he feels the EV transition is imminent rather the question lingers is by when can we adopt the Electrification of Vehicles.• He did agree that our industry is a unique one, hence 100% electrification cannot cater to our demands. India will have scope for both EV and ICE engines in future.• However, the market share will definitely go towards EV but the ratio is yet to be determined.• Mr. Kuppuswamy believes India has a huge opportunity in this scenario to be a global player due to its capacity generation especially in the Two-Wheeler segment.• All Component players will have a role to play in this transition which will help them in becoming more competitive in their respective domain expertise.• Keeping in view with customer sentiments, he stated that affordability is a critical aspect. It drives the entire emotion behind purchase of a vehicle from Customer's viewpoint.• Going forward, he expressed that the Auto Component Industry needs to digitise far more than it currently is today to have a competitive edge.• Finally, he concluded his interaction by mentioning that Innovation should be a key part today in determining what we want to achieve in future. <p>Mr. Sunjay J Kapur, President, ACMA thanked Mr. Ram Kuppuswamy for joining the ACMA EC and sharing his insights with the ACMA Executive Committee members.</p> <p>The interaction ended with a round of applause by the EC members.</p>
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5. **Vision 2047 for the Automotive Industry: An initiative of GOI**

To make presentation on Vision 2047 for the Automotive Industry, President ACMA invited and welcomed Mr. Kavan Mukhtyar, Partner, PwC and his team.

The key points observed are as under:

- Vehicle affordability is a key factor to ensure further growth – rationalizing tax will lead to higher demand and higher tax collection
- Indian Automotive Industry has built a solid foundation over the last 3 decades
- Moderate growth in 2010-20 due to various reasons – consumer sentiment, global events & regulatory changes
- Drivers and inhibitors for the future

Drivers:

- **Consumers**
 - Growing penetration of mobility (cars per th. upto 150)
 - Rise in consumerism
 - Propensity to spend on premium brands
 - Growing preference for clean mobility
 - Increased level of customization
- **Demography**
 - Rural Prosperity
 - Urban Migration
 - Planned Smart & Mega Cities
 - Green Growth
 - Public transportation & shared mobility in non-urban areas
 - Increased connectivity
 - Digital Distribution Channels
- **Regulations & policy**

	<ul style="list-style-type: none"> ➤ PLI ➤ FAME-II ➤ Roads ➤ Support Infrastructure ➤ Focus on non-urban and rural growth ➤ Smart City Projects <p>Inhibitors:</p> <ul style="list-style-type: none"> ➤ Shared Mobility – Mass Transit ➤ Regulatory shifts ➤ Technological hindrance ➤ Increasing cost of ownership (insurance norms, increased electrification) ➤ Fuel Prices <ul style="list-style-type: none"> • India's GDP can conceivably go past \$30 Trillion by 2047 >10x, CAGR>9% per annum • We envision Automotive industry to grow 20X with higher value addition, new revenue pools to 8% of GDP to \$2.4 Trillion by 2047 • Vision of the Automotive Industry in 2047 <ul style="list-style-type: none"> ➤ 8% Contribution to India's GDP ➤ 2.4 Trillion USD Automotive industry by value (20x) ➤ 50% Contribution to India's Manufacturing GDP ➤ 140 Million Incremental Direct and Indirect Jobs • Indian Auto Industry aims to reach \$2.4 Trn with production of 140.8 Mn units; 12% CAGR in value terms • Auto Component View <ul style="list-style-type: none"> - Vision @ 2047 <ul style="list-style-type: none"> ➤ Estimated Size by 2047 - \$1 Trillion (20X) ➤ Indian Auto components Exports to be 5% of global share ➤ 5 Indian Auto suppliers to be in top 50 global suppliers ➤ Localisation ratio to be greater than 90%
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	<ul style="list-style-type: none"> ➤ Automotive component Exports in 2047 = \$300 Bn ➤ Will directly account for roughly 40 mn incremental jobs ➤ Organized Aftermarket • #1 Clean Mobility Champion <ul style="list-style-type: none"> ➤ 100% Clean Fuel Vehicles by 2047 with multiple co-existing technologies • #2 Safer Mobility <ul style="list-style-type: none"> ➤ Zero Fatalities in Cities and Highways • #3 Strengthening of Technological Capabilities <ul style="list-style-type: none"> ➤ India to Develop Capabilities in 4 areas: <ul style="list-style-type: none"> - Electrical & Electronics - Battery Cell and Pack manufacturers of the world - Automotive Software, Product R&D - Connected Vehicles, Micro and Smart Mobility • #4 Global Manufacturing Hub <ul style="list-style-type: none"> ➤ India to be the Automotive Factory of the world resulting in 20X growth in exports by 2047 • #5 Automotive Skill Leader of the World <ul style="list-style-type: none"> ➤ India will build abundance of 'Automotive Skills' as a magnet to attract investments and build sustained competitive advantage • Areas of Focus – Structural Consideration <ul style="list-style-type: none"> ➤ Integrated Administration – National Automotive Board ➤ Rationalization of Taxes on Vehicles ➤ Long-term Regulations Roadmap <p>The detailed presentation by CRISIL is attached as Annexure II</p>
6.	<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>7.</p>	<p><u>Membership Status / New Membership etc.</u></p> <p>The committee approved membership of the following companies.</p> <p>New Members:</p> <p><i>Ordinary Membership:</i></p> <ol style="list-style-type: none"> 1. Guru Poly Products, Krishnagiri District, (SR) 2. S.M. Kannappa Automobiles Pvt. Ltd., Bangalore, (SR) 3. JJG Machining Pvt. Ltd., Bangalore, (SR) 4. Uravi T & Wedge Lamps Ltd., Thane, (WR) 5. Yeshshree Press Comps Pvt. Ltd., Aurangabad, (WR) 6. Harisons India Regd., Noida, (NR) 7. Beam Infotech Private Limited, Gurugram, (NR) 8. Mass Metalform, Bhiwadi, (NR) 9. S.G. Industries, Ghaziabad, (NR) <p><i>Associate Membership:</i></p> <ol style="list-style-type: none"> 10. Tesa Tapes (I) Pvt. Ltd., Belapur, (WR) 11. TAMS Infotech Pvt. Ltd., Bangalore, (SR) <p><i>Associate Membership: (Start-up Category)</i></p> <ol style="list-style-type: none"> 12. 4E Software Private Limited, Pune, (WR) 13. Sibros Technologies India Pvt. Ltd., New Delhi, (NR)

	<p>Resignations:</p> <ol style="list-style-type: none"> 1. Anest Iwata Motherson Private Limited, Noida-Dist, (NR): <i>(Management Decided to Discontinue)</i> 2. RACL Geartech Ltd., Noida, (NR): <i>(Unable to utilise the Services.)</i> 3. Nifco India Pvt. Ltd., Gurugram, (NR): <i>(Want to curb any avoidable expenses.)</i> 4. Oxford Plast India Pvt. Ltd., Rudrapur, (NR): <i>(Changing line of business from Automotive.)</i> <p>With the above additions and deletions, the ACMA Membership stands at 781.</p>
<p>8.</p>	<p><u>Date of next meeting:</u></p> <p>President requested EC members to block their diary for Tuesday March 15, 2022 as the date for 4th Meeting of the Executive Committee for 2021-22 to be held in New Delhi. <i>(The earlier communicated date of EC meeting was Friday, March 25, 2022 which now is preponed)</i></p> <p>He advised the secretariat to communicate the exact details of meeting, in due course.</p>

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

Sunjay J Kapur
President

Vinnie Mehta
Director General