



Automotive Component Manufacturers Association of India

Minutes of 6th Meeting of ACMA Executive Committee (Virtual)

July 16, 2021

List of members present at the meeting as also attendance at Executive Committee Meetings held so far is given at [Annexure I](#).

Mr Deepak Jain, President, ACMA welcomed all Past Presidents and members to the last ACMA Executive Committee for year 2020-21.

Before taking up the formal agenda, President, ACMA briefed the EC members of the discussions held in the STC meeting held prior to the EC meeting. Mr. Jain expressed that although ACMA witnessed 50% decline in income due to the pandemic, however due to significant efforts of the secretariat towards controlling of expenditure, the association was able to generate a modicum of surplus. He also thanked all Pillar, Sub-pillar and Regional Chairpersons for their efforts towards generating revenue through online-activities and events.

The formal agenda was thereafter taken up for discussion.

Sl. No.	Agenda Item
1.	<p>Minutes and Matters: Confirmation of last EC Meeting Minutes</p> <p>The ACMA Executive Committee unanimously approved the minutes of the last meeting of the Executive Committee held on May 21, 2021 (Virtual).</p>
2.	<p><u>Remarks by President, ACMA</u></p> <p>Reflecting on his two-year term as President ACMA, Mr Deepak Jain expressed satisfaction that despite the unprecedented challenges of lockdowns in the wake of the two-waves of the pandemic, the association and the industry had displayed great resilience. He particularly thanked the OEMs for their direction to the industry and for regularly engaging with ACMA to provide visibility on how the</p>

	<p>industry dynamics was shaping. He also appreciated the support extended by the OEMs by sharing best practices for safety protocols. He also placed on record his appreciation for ACMA Past Presidents for their guidance during the challenging period.</p> <p>President also mentioned that due to the challenges faced, many important lessons were learnt on being financially prudent, on keeping shop-floors, employees and factory premises safe, on logistics management and creating business continuity, among others.</p> <p>Despite majority part of the term in 2020-21 being virtual, it was noteworthy that a record number of 628 activities, the highest ever, were organised through the year.</p> <p>President thanked Mr. Sunjay Kapur, Vice President, all Pillar, Sub-Pillar and Regional Chairpersons & Co-Chairpersons for their initiatives and the EC members for their engagement throughout his term.</p> <p>President ACMA also thanked the entire ACMA secretariat for their support without which we could not have delivered ACMA's agenda.</p>
<p>3.</p>	<p><u>State of Industry - Presentation by ICRA</u></p> <p>To make presentation on State of Industry, President ACMA invited and welcomed Mr. Shamsheer Dewan, Vice President and Group Head Automotive and his team from ICRA.</p> <p>The key points observed are as under:</p> <p>Macroeconomic Outlook and Impact of COVID 2.0</p>

- Macroeconomy – GDP expected to grow between 8.5% to 9.5% for FY2022
- Expectation of stable rural cash flows to support industry demand
- Pace of Construction activity a silver lining, budgetary infra push a positive step

Channel Check for various OE sub segments

- Covid 2.0 lockdown put temporary brakes on auto industry recovery prospects
- Two Wheelers – Recovery to commence in Q3 FY2022
- Commercial Vehicles – Positive sentiments witnessed, as demand returns
- Tractors – Cautiously optimistic outlook

Delinquency Trend

- Delinquencies remain modest across segments; tractors on an improving trend

Outlook for the Year

- Healthy recovery expected across automotive sub-segments, despite some setbacks
- Preference for personal mobility and pickup in infra activity to be growth drivers
- Aftermarket – Sales lost in recent months to be compensated by year-end
- Exports – A bright spot in the Indian Auto Component story
- Auto Component Industry expected to witness healthy revenue growth in FY2022
- Commodity headwinds to partially offset operating leverage benefits
- Larger players report relatively better operating margins
- Liquidity improved substantially in H2 FY2021, aided by demand pick up
- Cautiously optimistic approach toward capital expenditure for FY2022
- Outlook – ICRA’s FY2022 expectation for the sector looks Stable

	<p>Credit Rating Movement</p> <ul style="list-style-type: none"> ➤ Credit Profile of Auto Ancillaries to remain largely stable in FY 2022 <p>The detailed presentation by ICRA is attached as Annexure II</p>
<p>4.</p>	<p><u>Interactive Session with Mr Rajesh Goel, Sr. Vice President & Director, Sales & Marketing, Honda Cars</u></p> <p>President, ACMA welcomed Mr. Rajesh Goel & other officials from HCIL. He requested Mr. Goel to share his perspective with the Executive Committee Members on how the dynamics of the auto market has changed due to the second wave of the pandemic, what are the current dominant trends that are defining the market today and what is the market outlook in short to medium term.</p> <p>Mr. Rajesh Goel 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"> • It's disheartening to note that the automotive industry in India is pushed back by almost five years due to Covid-19 pandemic. • The entire industry has displayed great resilience in face of the challenge and supported each other well. • Post the first-wave of the pandemic, the Indian Auto industry bounced back with a V shaped recovery, courtesy the Indian consumer. • The component industry supported the OEMs well in their ramp-up and there was not a single incidence of production loss due to supply shortages. • ACMA and SIAM's contribution in this challenging period has been exemplary, they should continue to work together in a symbiotic manner. • The recovery after the second wave of the pandemic looks to be slow in comparison to the recovery after the first wave. <p>This is primarily due to:</p>

	<ul style="list-style-type: none"> - The second wave had a widespread impact in rural areas compared to the first. - Traumatized state of consumers; the second wave being more devastating than the first - Consumer spend only on essential needs. • OEMs witnessing cancellations in bookings which they are hopeful to not continue in the coming months. • Factors also contributing to low sales are the increasing costs of vehicles due to: <ul style="list-style-type: none"> - Increase in Raw Material prices. - Shortage of Semi-Conductors. • Expectations are set for recovery in sales by end of September • On electrification of vehicles, Hybridization is more pragmatic option. It is the perfect bridge between Conventional powertrain engine and an electric one. • Going forward, the components industry needs to focus on higher value-addition. For these, in-house R&D capabilities need to be developed and technological partnerships need to be explored. • That apart, alliances amongst firms – between firms within and outside of automotive ecosystem would be critical to overcome challenges and will be essential for finding solutions to a myriad of issues and challenges confronting us. <p>Mr. Sunjay Kapur, Vice President, ACMA thanked Mr. Rajesh Goel for his faith in the supplier community. He mentioned that Mr. Goel’s confidence in the supplier community was immensely reassuring and ACMA looks forward to the continued guidance and support of Honda Cars.</p>
<p>5.</p>	<p><u>Update on ACMA Annual Session and ACMA Repositioning</u></p> <p>To make a brief presentation on ACMA Annual Session, President then invited Mr. Vinnie Mehta, DG ACMA. Summarised below are the highlights of the presentation:</p> <p><u>A: ACMA Annual Session</u></p>

- 61st ACMA Annual Session: The program will be held Virtually
- Date: August 26, 2021 (Thursday)
- Theme: Living with Volatility - Survival, Revival & Growth
- Knowledge Partner: PwC
- Whilst the program was taking shape, the event would consist of an Inaugural Session followed by a Special Plenary Session, a Theme Session as also a Panel Discussion in the end.

President, requested all EC members to support the event through various sponsorship options.

B: ACMA Brand Repositioning


To make a brief presentation on ACMA Brand Repositioning, President then invited Ms Beedisha Charaborty, Managing Consultant & Vice President, Archetype. Archetype, ACMA's PR agency had earlier polled several of ACMA's stakeholders on their perception of ACMA and ACMA's role.

Key Highlights of the Presentation include:

- Changing Industry Dynamics
- OEMs taking steps towards Future Mobility
- ACMA should evolve to stay relevant and be a catalyst in the changing ecosystem
- ACMA 2.0 driving the future of mobility by continuing the existing charter on manufacturing and embracing the future of mobility to stay relevant
- ACMA should change the expanded form of its acronym from Automotive Components Manufacturers Association to something more contemporary reflecting the changing dynamics in the industry ecosystem, say - **Automotive Components for Mobility-solutions Association**

President ACMA thanked Archetype for the presentation and briefed the EC members that a similar presentation had earlier been made and circulated to the ACMA Past Presidents Council. The Past Presidents had unanimously agreed that ACMA's scope of activities and membership should reflect the changing industry dynamics and that the ACMA acronym be changed reflecting the same.

President thereafter requested the EC members for their feedback.

	<p>The EC members were unanimous in their opinion that ACMA’s activities should help the industry to transform itself as customers expect solutions and systems rather than discrete components. That apart ACMA should also well represent the changing landscape of the industry and embrace new players. The ACMA membership scope had already been changed the previous year to allow for this.</p> <p>EC members also suggested some options for expansion of the ACMA acronym. These include:</p> <ul style="list-style-type: none"> • <u>A</u>ssociation for <u>C</u>omponents, <u>M</u>obility & <u>A</u>ftermarket • <u>A</u>ssociation for <u>C</u>omponents, Solutions for <u>M</u>obility & <u>A</u>ftermarket • <u>A</u>ssociation of <u>C</u>omponents for <u>M</u>obility & <u>A</u>utomotive • <u>A</u>ssociation of <u>C</u>omponents manufacturers & providers of Solutions for <u>M</u>obility & <u>A</u>utomotive; and • <div style="text-align: center;">  <p>• Auto Components • Solutions for Mobility • Aftermarket</p> </div> <p>The Executive Committee requested President and Vice President ACMA to take the initiative forward as appropriate.</p>
<p>6.</p>	<p><u>Update on Major Forthcoming Activities – Pillars & Regions</u></p> <p>To make a brief presentation on activities, President then invited each Pillar Chairperson and the Regional Chairperson to brief the EC on their key forthcoming activities.</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 following companies.</p> <p>New Members:</p>

	<p><i>Ordinary Membership:</i></p> <ol style="list-style-type: none"> 1. Automax (India), New Delhi, (NR) 2. Pal Shellcast Private Limited, Ahmedabad, (NR) 3. Modvak Engineering Pvt. Ltd., Haryana, (NR) 4. Veer-O-Metals Pvt. Ltd., Bengaluru, (SR) <p>Resignations:</p> <ol style="list-style-type: none"> 1. Veena Diecasters & Engineers Pvt. Ltd. Mumbai, (WR) <i>Company has decided to discontinue manufacturing activities of auto components and its ancillaries' products.</i> <p>With the above additions, deletions and changes, the ACMA Membership stands at 794.</p>
<p>8.</p>	<p><u>Date of next meeting:</u></p> <p>President requested EC members to block their diary for Thursday, August 26, 2021 for the 61st ACMA Annual Session and Friday, August 27, 2021 for ACMA AGM and 1st Meeting of the newly constituted Executive Committee for 2021-22.</p> <p>He advised the secretariat to communicate the exact details of meeting, in due course.</p> <p>The meeting ended with Ms Shradha Suri Marwah, ACMA Chairperson Northern Region & Chairperson Subros, on behalf of the entire Executive Committee, proposing a Vote of Thanks to President ACMA for an outstanding contribution during his two-year tenure.</p>

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

Deepak Jain
President

Vinnie Mehta
Director General