



Automotive Component Manufacturers Association of India

**Minutes of 3rd Meeting of ACMA Executive Committee
Held on 22nd January 2019; Hotel Feathers, Chennai**

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

President, ACMA Mr Ram Venkataramani welcomed the members present at the meeting and thanked ACMA Southern Region for organizing a highly interactive session of President & Vice President with ACMA SR members.

Committee noted the overall Quality Certifications in ACMA Membership as:

Quality Certifications	Total no. as on the date of notes 22 Jan 2019	Total no. as on 19 Jan 2018
ISO 9001	644	711
TS 16949	484	601
ISO 14001	338	341
OHSAS 18001	229	209
JIPM	4	4
TPM	15	15
Deming Prize	16	14
Japan Quality Medal	5	6
Shingo Silver Medallion	2	2

The formal agenda was thereafter taken up for discussion.

No.	Agenda Item	Action Point
1.	Confirmation of last EC Meeting Minutes Committee approved the minutes of the last meeting of the Executive Committee held on 19 th November 2018 at Pune.	

**2. State of Industry:
Automotive Industry Performance & Forecast:**

To make a presentation on the Automotive Industry Performance & Forecast, ACMA Executive Committee welcomed Mr. Miren Lodha, Director and Mr. Hemant Thakar, Associate Director, CRISIL.

The presentation shared various Macroeconomic trends such as fuel prices, rural demand, cost of borrowing, freight demand, inflation etc.

CRISIL also presented key trends/drivers in various vehicle segments for FY 19:

Two Wheelers:

- Improvement expected in demand side variables such as GDP Growth, Rural. Roadways Investments, Crop Value Index, etc
- Increasing affordability, new model launches and increase in prices to steer long-term disbursement growth.
- Higher growth in demand to increase utilization levels in fiscal 2019.

Passenger Cars:

- Fuel prices have turned adverse as compared to last year.
- New motor rules hike insurance cost of a new car substantially.
- Better income prospects, subdued cost of ownership and fast paced road development to help clock better demand.
- Improving affordability to boost long term passenger vehicles' demand.
- Regulations shaping Passenger vehicle industry in India.
- Exports to continue declining in fiscal 2019, likely to recover marginally in fiscal 2020.

Commercial Vehicles:

- Demand to remain robust across CV segments.
- Higher capacity utilization to help improve margins.
- CV financing to remain key monitorable as repo rate expands.

	<p>Tractors:</p> <ul style="list-style-type: none"> • Positive agriculture, commercial & finance scenario support to help growth. • Growth in rural wages has plateaued in last few years. • Higher irrigation intensity will boost usage of higher hp tractors. <p>CRISIL also stated projections of various vehicle segments for next four quarters.</p> <p>The detailed presentation is attached as Annexure-II</p>	
<p>3.</p>	<p><u>An update on RCEP Negotiations:</u></p> <p>President ACMA invited Mr. TS Vishwanath, Principal Advisor, APJ-SLJ Law Office, Consultants to make a detailed presentation on the RCEP for better understanding of the EC members.</p> <p>It was noted that Government of India has started the final round of tariff negotiations with Regional Comprehensive Economic Partnership (RCEP) Countries. The RCEP is an Economic Integration Agreement and not a classical FTA relationship, with an aim to achieve mutually beneficial modern, comprehensive, high-quality and mutually beneficial economic partnership agreement among the ASEAN member States and ASEAN's FTA Partners.</p> <p>There are sixteen participating countries. The ten ASEAN member states (Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei Darussalam, Vietnam, Lao PDR, Myanmar and Cambodia) and ASEAN's six FTA partners to include Australia, China, India, Japan, South Korea and New Zealand).</p> <p>Some of the salient points were addressed during the presentation:</p> <ul style="list-style-type: none"> • Status of Trade negotiations and upcoming meetings • Chapters concluded • Tariff negotiations-Tariff preference under RCEP • India offered dual tariff preference mechanism for 	

	<p>existing and non-existing partner countries</p> <ul style="list-style-type: none"> • Current Status of auto component tariff liberalization under current agreements such as ASEAN, Korea and Japan <p>Mr Vishwanathan mentioned that the Government of India had made up its mind to sign the RCEP and that all customs tariffs, as part of the agreement, will be phased out in a time frame of five to fifteen years.</p> <p>The detailed presentation is attached as: Annexure-III.</p>	
<p>4.</p>	<p><u>Interaction with Mr. Biju Balendran, Managing Director and Chief Executive Officer, Renault Nissan Automotive India Pvt. Ltd.</u></p> <p>President, ACMA welcomed Mr Biju Balendran MD & CEO, Renault Nissan Automotive India Pvt. Ltd. and invited him to share the future plans of (RNAIPL) and its expectations from the Suppliers especially in light of transition from BS IV to BS VI, introduction of several safety and emission regulations and launch of new products from Renault Nissan.</p> <p>Mr Balendran started the interaction by mentioning that it was an important day for RNAIPL as the company was simultaneously launching their new model 'KICKS' in the small SUV segment the same day.</p> <p>He stated that Tamil Nadu has contributed significantly to the Automotive industry. The entire state has the capacity to produce 1.5 million units of cars. 1 Car in 20 Seconds, 1 CV in 90 seconds and 1 motorcycle in 6 seconds. Further, 40% of total Tyres in the country are produced in Chennai. It is tis reason why RNAIPL chose to invest in Chennai.</p> <p>Talking about the future of mobility, in a conventional IC engine vehicle, 55% is accounted for by Engine & Transmission, 20% by injection control, 10% are auxiliaries and 15% is exhaust system, however, in an EV 70% is battery and control systems, 20% is motors and 5% is transmission. The auto component industry in India therefore needs to prepare itself for the future.</p> <p>Expressing his views on China, Mr Balendran mentioned that China has been able to create a huge skill base that is highly dexterous but at the same time,</p>	

	<p>he mentioned that labour in China is not cheap.</p> <p>He appreciated ACMA's initiative of imparting skills and mentoring through its Cluster programs as also the Centre of Excellence. He also offered ACMA counsellors to visit the Renault-Nissan Alliance skilling Centre in Oragadam.</p> <p>President thanked Mr Biju Balendran for a very engaging interactive session and wished huge success to the forthcoming new model launches of RNAIPL.</p>	
<p>5.</p>	<p><u>Future Mobility Show (FMS) 2019</u></p> <p>President ACMA invited Mr. Karthik Ganesan, Head - Sales & Marketing - EV & E - Mobility Solutions, Ashok Leyland to make a presentation on the Future Mobility Show (FMS) 2019.</p> <p>The FMS 2019 scheduled from 26th to 28th February 2019 at BIEC, Bengaluru, is a Full-fledged Future Mobility Show (FMS) being organized by CII. It will present a holistic view of products, technologies and ecosystem requirements for next generation of mobility.</p> <p>The Future Mobility Show is designed on Hon'ble PM's 7C Vision of Future Mobility. These are: Common, Connected, Convenient, Congestion-free, Charged, Clean and Cutting-edge</p> <p>The Objectives of Future Mobility in India are as follow</p> <ul style="list-style-type: none"> • Energy Security: Promote all green solutions! • Environment: Reducing local city pollution (BS6, xEV, CNG, LNG etc.) • Urban Transformation: Shared, connected & Green mobility solutions • Make in India: Enabling local manufacturing of xEVs & alternate fuels • Responsible Mobility: Progress of society and industry together <p>FMS 2019 is Supported by MoRTH, Gol and PCRA, ACMA, SIAM, SMEV, APEV, TERI and ARAI</p>	

	<p>Mr. Karthik Ganesan requested the Executive committee to support the show by participating in the Exhibition and encouraging their sub-suppliers to exhibit and also participate in the Conference.</p> <p>The detailed presentation is attached as: Annexure-IV.</p>	
<p>6.</p>	<p><u>Review of Pillar Activities - MIS</u></p> <p>Committee acknowledged the receipt of MIS report on each Pillar, which had been circulated with the Agenda.</p> <p>To share key events organised and planned, Pillar and sub-pillar Coordinators made brief presentation to the committee.</p> <p>President, ACMA invited committee members to share their insights on strengthening the pillar activities.</p> <p>Following was noted:</p> <p><u>Pillar-1 on Business Development:</u></p> <p>Key highlights</p> <ul style="list-style-type: none"> • Visit to Mahindra Swaraj Division, Ludhiana; 15 members participated. • Strategic Workshop on M&A/JV by Grant Thornton in Chennai and Pune • Techshow at VEV, Pithampur; 23 members participated • IPO Forum, Kolkata - 11 IPOs interacted with 15 ACMA Members. • North East Expo, Guwahati; 35 ACMA members participated • BSM Nepal - 23 Members participated, over 100 distributors visited. <p>Forthcoming Activities</p> <ul style="list-style-type: none"> • Annual Interaction with President & Vice President with Honda Officials; 31 January, 2019, New Delhi • ACMA Automechanika New Delhi, February 14-17, 2019 • ACMA Golf Tournament, February 16, 2019, Greater Noida • Strategic Workshop with GT on M&A/JV, 28 February 2019 	

- MSME Summit, New Delhi, May 2019
- Tech Show at Tata Motors, March 20, 2019, Pune
- BSM, Chennai,
- BSM Pune, October 2019

Pillar-2 on Government Advocacy, Regulations and Research

- Ministry of Steel, in Aug 2018 had Issued Quality Control Order w.r.t Automotive Steel Grades that has resulted in significant challenge to import auto-grade steel in the country. ACMA sought an exemption for its members from the QC order; the issue was addressed to the Secretary, Ministry of Steel and to the Minister, DHI. The Ministry of Steel has issued a notification stating members can get an exemption certificate for import of steel.
- Petitioned the GST council and the DHI to reduce GST rate on Auto Components from 28% to 18%. During the last GST Council held in December 2018, some components GST rates were lowered and they are Gears Box, Pulleys, Crankshafts etc.

Regulations

- Working with the MoRTH for mandating standards for aftermarket products; to begin with MoRTH has agreed to mandate standards for safety critical items sold in the aftermarket

Pillar-3 on Skilling, Training & Mentoring Skilling and Leadership Development: The pillar includes ACT clusters for Membership and OEMs, ACMA Awards, ACoE, YBLF and HR.

- Cluster programs are offered from Basic level to Zero Defect Levels.
- Launched for the first time ACT 1st NPD Bridge Cluster.
- A roadmap has been designed for member companies wanting to enrol their suppliers along with them in a customized package. Two companies have already enrolled given their consent to join for this program when launched.
- Running Clusters for Hero Motocorp with their 80 suppliers and discussion are on with other OEM's
- A competition on MFCA was conducted at ACOE.

Forthcoming Programs

- Training program on Artificial Intelligence (AI) & Manufacturing Informatics (AI) – in collaboration with Cardiff, UK at ACoE, Sonipat 22 - 25th January, 2019 Similar program at Pune from 30th Jan – 2nd Feb, 2019
- Training program on Advanced Mechatronics, at ACOE, Sonipat, 6th – 9th Feb, 2019

ACMA Awards

- For ACMA Awards 2017-18, 224 applications were received in 14 categories and sub-categories, of which 192 were shortlisted for Plant Assessment. Finally, 82 were shortlisted by the Jury for awards. The robustness of the awards process was well appreciated by the Jury Chairman & President SIAM, Mr. Rajan Wadhera. He appealed to all OEM to promote ACMA Awards amongst their suppliers.

The Awards ceremony, is scheduled for 29th & 30th January 2019 at Pune.

The overall Awards process has been audited by PwC to ensure fairness of process.

- The Committee was briefed on the ACMA Technology Summit scheduled for 29th & 30 January in Pune and requested to participate in the two-day Mega Event.

The following publications will be unveiled at the Tech. Summit:

- Best Manufacturing Practices of ACMA Award Applicants
- IMPACT
- CN Book 'Inestimable Mantras' – In Hindi Version

ASDC:

ACOE will interface with ASDC to offer ASDC certified courses.

	<p>YBLF:</p> <p>In tune with restructuring of ACMA, the YBLF has also been reorganised in five pillars, with an Executive comprising 18 members, the five pillars are:</p> <ul style="list-style-type: none"> • Digitization & Technology • Operations • Leadership & HR • Business Development • Finance & Strategy <p>Several events/activities are planned in the forthcoming months including sessions on Aftermarket, Electric mobility, market valuation among others.</p> <p><u>Pillar-4</u> on Overseas Investments and International Alliances</p> <ul style="list-style-type: none"> • Meeting with the Governor of Kentucky, exploring investment opportunities in Kentucky <p>Forthcoming Activities</p> <ul style="list-style-type: none"> • CEOs Investment Mission from 4th – 6th Feb 19 in Poland, Hungary and Slovakia. 10 companies have confirmed to participate. • Participation in India Seminar, Japan, May 2019. • Participating in the G7 Summit, Japan, May 2019 <p><u>Pillar-5</u> on Media Interface continues to promote ACMA as the apex organization of Automotive components and showcase its initiatives through all media sources and social sites.</p> <p>The presentations on each pillar is enclosed as Annexure-V</p>	
<p>7.</p>	<p>Membership Matters:</p> <p>The committee approved membership status of following companies.</p>	

<p>A.</p>	<p>New Members-</p> <p><u>Ordinary Membership:</u></p> <ul style="list-style-type: none"> (i) Eastern Alloys Pvt. Ltd., Odisha, (ER) (ii) Kross Limited, Jamshedpur, (ER) (iii) PYN Autocomp Private Limited, Pune, (WR) (iv) Shilpan Steelcast Private Limited, Gujrat, (WR) (v) MSS Filtration Engineering Process Pvt. Ltd., Rudrapur, (NR) (vi) Maini Plastics and Composites Pvt. Ltd., Bangalore, (SR) <p><u>Affiliate Membership:</u></p> <ul style="list-style-type: none"> (vii) Muthayammal Educational Trust and Research Foundation, Tamil Nadu, (SR) <p><u>Associate Membership:</u></p> <ul style="list-style-type: none"> (viii) Shree Balaji Alumnicast Pvt. Ltd., Rewari, (NR) 	
<p>B.</p>	<p>Resignations:</p> <ul style="list-style-type: none"> (i) Perfect Oil Seals & I.R.P., Pune, (WR) (ii) Demanik Enterprises, Bangalore, (SR) (iii) RSK Motors, Mumbai, (WR) (iv) Southco India Private Limited, Pune, (WR) (v) Vimal Engineering Company, District Rajkot 	
<p>C.</p>	<p>Amalgamation / Merger:</p> <p>Oswal Castings Pvt. Ltd. has merged with Oswal Electricals Pvt. Ltd., a non-member. Hence its membership ceases.</p>	

8.	<u>Date of next meeting:</u> President mentioned that the next meeting i.e. the 4 th meeting of the Executive Committee 2018-19 is scheduled to be held on Friday – March 15, 2019. The exact venue of the meeting would be intimated in due course as the meeting had to be shifted from earlier finalised location-Jamshedpur, due to unforeseen circumstances. He advised secretariat to communicate the exact details of meeting, in due course.	
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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