Minutes of 5ᵗʰ Meeting of ACMA Executive Committee (Virtual)
Friday, May 19, 2023

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 members to the 5ᵗʰ ACMA Executive Committee meeting for year 2022-23.

The formal agenda was thereafter taken up for discussion.

Sl. No.	Agenda Item
1.	**Minutes and Matters: Confirmation of last EC Meeting Minutes** The ACMA Executive Committee unanimously approved the minutes of the last meeting of the Executive Committee held on March 10, 2023.
2.	**Welcome Remarks by President, ACMA** Mr. Sunjay J Kapur welcomed all members to the 5ᵗʰ Meeting of ACMA Executive Committee 2022-23 and thanked them for joining the meeting. He also welcomed the Past Presidents who joined the meeting. President then briefed the Committee about the discussions in the Steering Committee Meeting held prior to the EC meeting. He mentioned that ACMA revenue 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 of the outstandings also remained satisfactory.

	Thereafter he took the formal Agenda.
3.	**Auto Electronics Ecosystem in India 2032 – A Roadmap by Grant Thornton** To give update on the study on Auto Electronics Ecosystem in India 2032, President, ACMA invited and welcomed Mr. Rahul Kapur, Partner, Bharat Grant Thornton. The SCALE Committee under the Chairmanship of Dr Pawan Goenka had observed that there is a significant import of Auto electronics in the auto industry and had mandated ACMA to conduct a detailed analysis of the issue as also make recommendations on how the auto-electronics eco-system in India can be strengthen. The said Study is being conducted by Bharat Grant Thornton for ACMA and is being funded by the Ministry of Heavy Industries, Govt. of India. The key highlights of the findings of the study are as under: • Global consumption of automotive electronics will double in the next decade • Total India demand of automotive electronics will become >7X in the next decade • 64.3% of the total demand of auto electronics is being imported, the silver lining is that the balance is being manufactured in India Some of the auto electronic products which are being manufactured in India include: 1. Power Electronics (ICE) 2. Power Electronics (EV) 3. Safety Controls 4. Communication & Entertainment 5. Body Electronics • Industry can target to manufacture automotive electronics of $ 34 - 59 bn by 2032 • India faces impediments when it comes to auto-electronics sector. These include: - Limited research & development and export opportunities - Cost disability differential of 7.5%-9.8% w.r.t Vietnam and

17.3%-19.0% w.r.t China in electronics manufacturing.

- Imports are preferred for auto electronics even for products which are being manufactured in India
- India is not leveraging the otherwise thriving non-auto electronics manufacturing segment for the auto-segment
- Software solutions and auto-electronics design are critical Elements; despite India's software development might, its use in auto is in early stages of maturity
- Multiple HSN codes are being used to import auto electronics, seemingly making it difficult to assess the overall imports

Given below are the recommendations that can help India scale up for electronics manufacturing:

- Certain auto-electronics products can be manufactured in India

  1. There are 23 automotive electronics products that have established demand in the Indian automotive market. Hence, these can be further evaluated for new manufacturing units or capacity expansion.

  2. Keeping in view the above targets, if India is able to achieve 30%localization of priority 1 products and 15% in case of priority 2 products by 2027, it can expect to reduce imports by USD 5.22 bn by then

- Encourage manufactures of child parts (electronic and non-electronic) that can be used across different auto-electronic parts to expand scale in India

  - Sourcing of child parts such as aluminum casings can save the import bill by $ 1.75 bn -$2.2bn

- Adopt cluster approach to address manufacturing cost disability:

  - Automotive Electronics Clusters to address cost disability via lower land and building costs along with support services such as testing / certification, hostels for labour and staff, back-up power, and logistics support should be evaluated

- Strengthen policy guidelines for safety products uptake + testing
  - Long term policy guidelines for the uptake of safety related electronic products
  - Testing norms for electronic components crucial from the cybersecurity standpoint

- Establish technical and academic linkages for capability and skill building

		The detailed presentation by GT is given at **Annexure II.**
4.		**Interactive Session with Mr. Shailesh Chandra, Managing Director, Tata Motors Passenger Vehicles Ltd. and Tata Passenger Electric Mobility Ltd., Tata Motors Ltd.** President, ACMA welcomed Mr. Shailesh Chandra to the interaction with ACMA EC. He requested Mr. Chandra to share his insights with members on: • The changing dynamics of the automotive industry in India and in particular at TATA Motors. • Future plans of TATA Motors, especially on sourcing and localisation • As also TML's expectations of the Supplier Community. Mr. Shailesh Chandra thanked President ACMA for the opportunity and expressed his delight for interacting with the ACMA EC. Following are the key highlights of Mr. Shailesh Chandra's address: • Indian PV Industry has evolved over the years in multiple phases • Pace of change has increased amidst policy support, evolving consumer expectations, changing market dynamics and emergence of new technologies. • Emission norms are being harmonised with the world (UNECE) in order to effectively address national challenges • India is strengthening vehicle Safety through introducing new regulations by harmonisation with EU regulations and safety mandates • Regulations are progressive from passive to active safety • Government has shown a strong intent of driving electrification and localisation

	- Evolving consumer expectations are altering the industry dynamics in multiple ways - Aspirational features are becoming the source of differentiation in line with consumer expectations - CNG & EVs are becoming popular as customers look for environment friendly options with significant benefit on the operating cost - Segmental shift is leading to significant increase in the average selling price - Product lifecycle are shortening and vehicle content is significantly going up - Further, emerging technologies enabling vehicles to evolve as computer on wheels, significantly altering product development aspect. - Owing to increasing importance of sustainability, products will be designed from End-of-life/circularity perspective - Supplier partners can leverage the massive opportunity for growth Ms. Shradha Suri Marwah, Vice President, ACMA thanked Mr. Shailesh Chandra for joining the ACMA EC and for a very engaging and insightful discussion with the members on the subject. The interaction ended with a round of applause by the EC members.
5.	**<u>Crushed 2022 - A Report on accidents in Auto Components Manufacturing Industry in India by Safe in India Foundation</u>** To give an update on Crushed 2022 - A Report on accidents in Auto Components Manufacturing Industry in India by Safe in India (SII) Foundation, President, ACMA invited and welcomed Mr. Sandeep Sachdeva, Co-Founder & CEO, Safe in India Foundation.

The key points shared by Mr Sachdeva included:

- 80% of crush injuries happen in the auto sector due to lack of adequate safety policies in the companies
- ESIC coverage - Majority of injured workers receive their ESIC card after the accident
- Power Press is a 'dangerous' machine per Factory law - 80% power press machines on which accidents took place were without the required inspection
- Reasons for accidents (ISH-GGN-Maruti-Hero-Honda-SII Platform: 30 Tier 2 factories Audit in 2022)

    1. Inadequate Machine Guarding, Safety sensors/interlocking, PPE

    2. Inadequate ventilation and illumination and absence of ventilation and illumination studies.

    - Inadequate maintenance, poor machine earthing, loose wiring, electrical hazards
    - Inadequate health examination of workers and no or poor linkages with health system for emergencies.

SII's top 5 Operational and Top 5 Policy recommendations to OEMs

a) Policy:
    i. Include all contract workers in own factories at par in the OSH policy framework

    ii. Create, publish, and implement a Supplier Code of Conduct (SCoC)

    iii. Create, publish, and implement a standard operating procedure (SOP) for supply chain factories

    iv. Report annually on Indicator 8 of SDG 8 Demand minimum compliance from the supply chains e.g. ESIC

b) Operational

	i. OEM boards to take responsibility for worker safety in their deeper supply chain ii. Create a joint industry-level OSH task force with SIAM (with some participation from SII). Every Industry must do it. iii. Map the deeper supply chain iv. Improve transparency and accountability of accident reporting in the supply chain, weed out habitual offenders and reward safest factories, commercially v. Initiate ground-level actions in deeper supply chain, e.g. safety audits and worker training. President ACMA appreciated Safe in India's (SII) initiative in creating awareness regarding the need for a safe work environment in the automotive supply chain, especially the Tier-2s and Tier-3s. He suggested that SII could consider creating a Digital Dashboard which could help map accident/accident-free days of all companies across the automotive supply chain. This would not only create visibility on the front of accidents, but would also allow for quick action(s) to resolve the issues and help put in place necessary safety policies across the supply chain.
6.	**A. <u>Membership Status / New Membership etc.</u>** The committee approved membership of the following companies. **New Members:** **19 Members, added:** *Ordinary Membership:* 1. Auto Suspension Parts Co., Ludhiana (NR) 2. United Components And Tools Private Ltd, Ghaziabad (NR) 3. Spack Automotives Private Limited, New Delhi (NR) 4. Xlerate Driveline India Limited, Faridabad (NR) 5. HL Klemove India Private Limited, Sriperumbudur (SR) 6. Arul Polymers Private Limited, Krishnagiri (SR)

	7. Kiran Udyog, Bidar (SR)
	8. Zunax Energy Products LLP, Hyderabad (SR)
	9. New Dolphin Machining Solutions, Chennai (SR)
	10. SAP Parts Private Limited, Pune (WR)
	11. JMD Engineering, Pune (WR)
	12. Safex Fire Services Limited, Mumbai (WR)
	13. Pushkaraj Enterprises, Pune (WR)
	14. Neej Auto, Rajkot (WR)
	15. Plast Technology India Private Limited, Pune (WR)
	Associate Membership:
	16. The Waxpol Industries Limited (ER)
	17. Vinni Chemicals Pvt Ltd., Solan (NR)
	18. Kennametal India Limited, Bengaluru (SR)
	19. Sealed Air Packaging Materials India LLP, Bhiwandi (WR)
	Removals:
	20 Defaulting Members were removed.
	With the above additions and deletions, the ACMA Membership stands at **827**.
7.	**Redefining Structure of ACMA Executive Committee - Discussion**
	i. **Special Resolution for Amendment in Article 15 and 18 of Articles of Association of ACMA**
	Mr. Deepak Jain, Immediate Past President ACMA, briefed the Executive committee that as per the new definition of MSME issued by Ministry of MSME, effective from 1st July, 2020, a company with the Turnover of up to Rs. 250 crore would be considered as MSME.

As per the above, 64% of ACMA Membership falls in the MSME category. Currently, ACMA has 746 ordinary Members and out these, 499 Members fall in MSME Category.

Further, currently 13 MSME Members, are part of the ACMA Executive Committee as Elected Members. The Total Strength of the ACMA Executive Committee is 36 Members (Elected: 29 including 3 from Small Scale; Co-opted: 5; and IPP and DG). With significant representation of SMEs in the ACMA Executive Committee, reservation of 3 seats for SMEs in EC may no longer be required. Further, with the auto industry transforming itself into the mobility sector, President ACMA could consider inviting at least 2 members from the new age industry such as IoT, Industry 4.0, Start-ups etc.

With the above background, Mr Jain requested ACMA Executive Committee to consider removal of clause C of Article 15 of Articles of Association of ACMA to reduce the strength of ACMA Executive Committee from 36 Members to 33 Members. There would however be no change in rest of the elected representation i.e. 4 members from each of North, West and South and 2 from East, 8 members from all India Category and 4 Regional Chairpersons and accordingly Article 18 of Articles of Association of ACMA needs to be amended.

The matter was discussed and there after the ACMA committee unanimously gave their consent to amend the Article 15 and 18 of the Articles of Association and passed the following resolution:

"RESOLVED THAT approval is hereby accorded by the Members of the Executive Committee to amend Article 15 and 18 of Articles of Association dealing with the Administration and Management of the affairs and concerns of the Association".

ii. **Inclusion of E-Voting system in existing Clause 6 of Rules and Procedures governing the Election of ACMA Executive Committee and Regional Chairmen**

Further, during the Pandemic in 2021, the ACMA Executive Committee had advised to conduct the ACMA Executive Committee Elections 2021-22 through E-Voting. ACMA received a very good response from Members by way of participation through E-Voting; hence, the same practice was also followed for the ACMA Executive Committee Election for FY 2022-23 as well.

Since, members are responding well to the E-Voting for ACMA EC Election, there is a merit in including the E-Voting system in existing Clause 6 of Rules and Procedures governing the Election of ACMA Executive Committee and Regional Chairmen, prescribed under Article 18 and 30 respectively of the Articles of Association of ACMA.

With the above background, the President ACMA proposed the inclusion of E-Voting system in existing Clause 6 of Rules and Procedures governing the Election of ACMA Executive Committee and Regional Chairmen. and seeking the approval from ACMA Executive Committee of ACMA.

iii. **Amendment in Clause 11 of Rules and Procedures governing the Election of ACMA Executive Committee to give the effect of amendment in Article 18 of Articles of Association of ACMA.**

Clause 11 of Rules and Procedures governing the Election of ACMA Executive Committee prescribed under Article 18 of the Articles of Association of ACMA needs to be amended accordingly.

The ACMA Executive committee discussed the matter and gave their unanimous consent to amend Clause 6 and 11 of Rules and Procedures governing the Election of ACMA Executive Committee and passed the following resolution:

"RESOLVED THAT approval is hereby accorded by the Members of the Executive Committee to amend Clause 6 and 11 of Rules and Procedures governing the Election of ACMA Executive Committee and Clause 6 of Rules and Procedures governing the Election of Regional Chairmen".

President ACMA thanked the Executive Committee for passing the resolutions unanimously and **recommend that an Extra-ordinary General body Meeting (EGM) be called on June 06, 2023** to ratify the amendments in Article 15 and 18 of Articles of Association of ACMA as also Inclusion of E-Voting system in existing Clause 6 of Rules and Procedures governing the Election of ACMA Executive Committee and Regional Chairmen and amendment in existing Clause 11 of Rules and Procedures governing the Election of ACMA Executive Committee to give the effect of amendment in Article 18 of Articles of Association of ACMA.

8.	**Appointment of Scrutineers for Election of ACMA Executive Committee for 2023-24** Committee noted that the process for election of members to the Executive Committee for the year 2023-24 was scheduled to commence from 12th June by issuing notice to all members inviting nominations. The last date of receiving nominations was mentioned as 26th June 2023. As per the rules governing the election, the committee requires to appoint Scrutineers for the ACMA's Executive Committee Election 2023-24. The committee consented to appoint M/s K.K. Khanna & Co., Chartered Accountants as Scrutineers for the ACMA's Executive Committee Election 2023-24 and passed the following Resolution was adopted. *"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 2023-24."*
9.	**Date of next EC meeting:** President requested EC members to block their diary for **Thursday, July 20, 2023** as the date for **6th Meeting of the ACMA Executive Committee for 2022-23** to be held in **Bangalore.** He advised the secretariat to communicate the exact details of meeting, in due course. The meeting ended with a Vote of Thanks to the Chair.

There being no other matter, the President thanked the members for joining and called the meeting to a close.

Sunjay J Kapur   **Vinnie Mehta**
President   **Director General**