



Automotive Component Manufacturers Association of India

**Minutes of 5<sup>th</sup> Meeting of ACMA Executive Committee (Virtual)**

Friday, May 13, 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 5<sup>th</sup> ACMA Executive Committee meeting for year 2021-22.

The formal agenda was thereafter taken up for discussion.

<b>Sl. No.</b>	<b>Agenda Item</b>
<b>1.</b>	<p><b><u>Minutes and Matters: Confirmation of last EC Meeting Minutes</u></b></p> <p>The ACMA Executive Committee unanimously approved the minutes of the last meeting of the Executive Committee held on March 15, 2022.</p>
<b>2.</b>	<p><b><u>Welcome Remarks by President, ACMA</u></b></p> <p>Mr. Kapur, welcomed the members and briefed them about the discussions and decisions taken during Steering Committee Meeting held prior to EC Meeting.</p> <p>President, ACMA briefing about the Annual Accounts of ACMA mentioned that all operational expenses were well managed despite it being a challenging year. He also thanked the members for their hearty participation in the ACMA events especially in Q4 of FY2022 which resulted in growth in revenue for the association.</p>

	<p>Updating on membership subscription for FY2022, President ACMA mentioned that out of <b>37</b> Defaulting Companies, <b>12</b> Companies had requested for additional time till 30.6.2022 to pay the Membership Subscription while remaining <b>25</b> Defaulting Companies were being removed from ACMA membership. Sufficient follow-up had been undertaken with each of the defaulters by respective regional teams and their chairpersons.</p> <p>President mentioned that the date for <b>ACMA Annual Session 2022 had been finalised as September 14, 2022</b> while that of SIAM as September 15, 2022. He requested all Executive Committee Members to block their diaries accordingly. McKinsey &amp; Co had been chosen as the Knowledge Partner for the ACMA Annual Session. The ACMA secretariat would send all necessary communication to the members regarding the theme and other details in due course.</p>
<p>3.</p>	<p><b><u>Emerging EV Ecosystem in India - Opportunities &amp; Challenges: Presentation by CRISIL</u></b></p> <p>To make presentation on Emerging EV Ecosystem in India - Opportunities &amp; Challenges, President ACMA invited and welcomed Mr. Hemal Thakkar, Director, CRISIL.</p> <p>The key points observed are as under:</p> <ul style="list-style-type: none"> <li>• Top 10 districts in terms of EV registrations: FY22 <p><b>E-Two wheelers:</b> <i>Top 10 districts account for about 15-20% of E-2W registrations in India in FY22 as compared to 40-45% in India in FY21</i></p> <p><b>E-Three wheelers (E-auto):</b> <i>Top 10 districts account for about 25-30% of high-speed 3W registrations in India in FY22 as compared to 55-60% in FY21</i></p> <p><b>E-Passenger vehicles:</b> <i>Top 10 districts account for about 25-30% of PV registrations in India in FY22 as compared to 55-60% in India in FY21</i></p> </li> </ul>

**E-Buses:** *Top 10 districts account for about 40% of bus registrations in India in FY22 as compared to >95% all bus registrations in FY21*

- Policies and regulations

**FAME (Faster Adoption and Manufacturing of Electric and Hybrid Vehicles)**

**FAME I**

- Validity: FY16 to FY19
- Incentives disbursed: Rs 359 crore
- Vehicles sold: ~ 2.8 lakh units (includes low speed lead acid models)

**FAME II**

- Validity: FY20 to FY24
- Incentives proposed: Rs 10,000 crore
- Vehicles targeted:
  - ✓ 7,000 e-buses
  - ✓ 5 lakh e-3Ws
  - ✓ 10 lakh e-2Ws
  - ✓ 55,000 e-PVs

**PMP (Phased Manufacturing Programme)**

**Salient Features**

- Time-bound localisation
- Basic customs duty increased from 0-5% to 15% post deadlines
- Timeline from April 2019 to April 2021

**Current Developments**

- PMP for battery cells approved by Cabinet
- PMP extended to EV charging infra

**PLI for Auto. (Production Linked Incentive scheme) and ACC (Advanced Chemistry Cell)**

**Key Features: Auto & Auto Components**

- Fiscal support of Rs 25,938 crore
- Only applicable for determined sales of advanced automotive technology products manufactured in India from April 1, 2022, for five consecutive years

**Key Features: ACC**

- Plant capacity  $\geq$  5GWh
- Investment  $\geq$  Rs 225 crore/GWh
- Minimum 25% of domestic value addition, ramp up to 60% in two years
- Fiscal support of Rs 18,100 crore

- Challenges to the adoption of EVs in India

**Demand Side Challenges**

- Acquisition Cost
- Range Anxiety
- Resale Uncertainty
- Service Uncertainty

**Supply Side Challenges**

- Technology Development
- Export-Import Dependence
- Service Network Development
- Financing Uncertainty

**Ecosystem Challenges**

- Charging Infrastructure
- Battery Swapping
- Resale Ecosystem
- Battery Scrappage Ecosystem

- Emerging business models

**MaaS (Mobility as a service)**

- Principal focus is on shared mobility
- Operations interlinked with charging infrastructure
- Vehicle as well as charging infra deployed on pay per use model
- Prominent players include: Blu-Smart, Lithium Urban

**BaaS (Battery/charging as a service)*****Battery swapping***

- Subscription-based model
- Ownership of asset lies with the company instead of user
- Advent of a structured battery swapping policy
- Prominent players include: Sun Mobility, LithionPower, VoltUp

	<p><b><i>Public charging stations</i></b></p> <ul style="list-style-type: none"> <li>- Pay per use model</li> <li>- Open source business model</li> <li>- Prominent players include: Statiq, BluSmart</li> </ul> <p><b><u>Micro mobility</u></b></p> <ul style="list-style-type: none"> <li>- Principal focus is micro-rental of vehicles</li> <li>- Vehicles operated in self-drive mode</li> <li>- Open source business model -users can hire as well as deploy vehicles</li> <li>- Prominent players include: Zypp, Bounce, Yulu</li> </ul> <p>The detailed presentation by CRISIL is given at <a href="#">Annexure II</a>.</p>
<p>4.</p>	<p><b><u>Interactive Session with with Mr. Ganesh Mani, Director &amp; Board Member, Hyundai Motor India Ltd.</u></b></p> <p>President, ACMA welcomed Mr. Ganesh Mani to the interaction with ACMA EC. He requested Mr Mani to share his insights on the dynamics of the auto industry in India and in particular of HMIL, current challenges and future plans of HMIL.</p> <p>Mr. Ganesh Mani thanked President ACMA for the opportunity and expressed his delight for interacting with the ACMA EC.</p> <p>Following are the key highlights of the interaction:</p> <ul style="list-style-type: none"> <li>- Global Chip shortages are expected to last until 2023.</li> <li>- Being an intricately linked supply chain, multiple country transfer adds to the logistical challenges.</li> <li>- It is to be noted that Chip Shortage is not just related to Auto Industry but is a global issue.</li> <li>- Volumes of Ships dipped by 30% after partial lockdowns began in Shanghai this year.</li> <li>- Russia-Ukraine conflict is also impacting the Chip Industry as Russia exports 45.6% of Palladium to US and Ukraine exports 90% of Neon to US for chip manufacturing.</li> </ul>

- To de-risk, Hyundai is adopting a new sourcing strategy of maintaining sufficient stocks of all the parts, all the time.
- Hyundai will continue to produce Diesel PVs as there continues to be strong demand for such vehicles, in fact Diesel PVs account for 20% of total PVs sold by Hyundai.
- On evolution of the Vehicle industry in India, ICE and EV/Hybrid vehicles will continue to co-exist until 2030.
- Going forward, Hyundai expects the following scenario:
  - Immediate/Short Term: 95% ICE & 5% EV
  - Medium to Long Term: 50% ICE & 50% EV
  - Future: 5% ICE & 95% EV
- Hyundai will expand its portfolio by launching 6 EVs in 6 years with Rs. 4,000 Cr. in investment.
- To manage the disruptions facing the industry today, organisations will have to become ambidextrous to survive.
- Organisations need to enhance their competitiveness by investing in newer technologies, Industry 4.0, robotics and others.
- A need for entrepreneurial thinking is required even for in-house execution.
- Hyundai envisages to become a Hydrogen driven company by 2040 with their 'Hydrogen Vision 2040 – Everyone, Everything and Everywhere'

Mr. Sunjay J Kapur, President, ACMA thanked Mr. Ganesh Mani for joining the ACMA EC and sharing his insights with the ACMA Executive Committee members on the subject.

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

<p>5.</p>	<p><b><u>Update on Major Forthcoming Activities – Pillars &amp; Regions</u></b></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 <a href="#">Annexure III</a>.</p> <p>President thanked all Pillar and Regional Chairperson for their support and continued momentum on the activities front.</p>
<p>6.</p>	<p><b><u>A. Membership Status / New Membership etc.</u></b></p> <p>The committee approved membership of the following companies.</p> <p><b>New Members:</b></p> <p><b><i>Ordinary Membership:</i></b></p> <ol style="list-style-type: none"> <li>1. BLW Engine Valves Pvt. Ltd, Bahadurgarh, (NR)</li> <li>2. Jyoti Rubber industries, Gurgaon, (NR)</li> <li>3. K.M.P. Manufacturing &amp; Co., Jalandhar, (NR)</li> <li>4. Kundan Lal And Sons, Ludhiana, (NR)</li> <li>5. Randhir Industries, Noida, (NR)</li> <li>6. Sietz Technologies India Pvt. Ltd., Faridabad, (NR)</li> <li>7. TPR Autoparts Mfg India Private Limited, Neemrana, (NR)</li> <li>8. Axiom Energy Conversion Limited, Hyderabad, (SR)</li> <li>9. KLN Engineering Products Private Limited, Bangalore, (SR)</li> <li>10. Manatec Mobility Private Limited, Puducherry, (SR)</li> <li>11. Reethika Precision Engineering, Chennai, (SR)</li> <li>12. Integrated Cadcam Solutions Private Limited, Mumbai, (WR)</li> <li>13. Vitesco Technologies India Pvt. Ltd., Pune, (WR)</li> </ol>

***Associate Membership:***

14. Treis Solutions LLP, New Delhi, (NR)
15. Zavenir Daubert India Private Limited, Gurugram, (NR)
16. MPM Private Limited, Nagpur, (WR)

With the above additions and deletions, the ACMA Membership stands at **786**.

**B. ACMA Finance – Resolution**

- Appointment of Scrutineers for Election of ACMA Executive Committee for 2022-23

Committee noted that the process for election of members to the Executive Committee for the year 2022-23 was scheduled to commence from 1<sup>st</sup> June by issuing notice to all members inviting nominations. The last date of receiving nominations was mentioned as 15<sup>th</sup> June 2022.

As per the rules governing the election, the committee requires to appoint Scrutineers for the ACMA's Executive Committee Election 2022-23.

The committee consented to appoint M/s K.K. Khanna & Co., Chartered Accountants as Scrutineers for the ACMA's Executive Committee Election 2022-23 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 2022-23.”***



<p>7.</p>	<p><b><u>Date of next meeting:</u></b></p> <p>President requested EC members to block their diary for Friday, July 15, 2022 as the date for 6<sup>th</sup> and Last Meeting of the Executive Committee for 2021-22.</p> <p>Mr. Kapur mentioned that depending on the situation it would be decided if the meeting would be in-person or on-line.</p> <p>He advised the secretariat to communicate the exact details of meeting to the EC members in due course.</p>
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There being no other matter, the President called the meeting to a close.

**Sunjay J Kapur**  
**President**

**Vinnie Mehta**  
**Director General**