



Automotive Component Manufacturers Association of India

**Minutes of 4th Meeting of ACMA Executive Committee
Held on 15th March 2019; The Gateway Hotel, Vijayawada**

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

Mr Ram Venkataramani, President, ACMA welcomed all members of the ACMA Executive Committee.

Prior to taking up of the formal agenda of the meeting, the committee paid rich tributes to the departed industry leader Mr K Mahesh, Chairman Sundaram Brake Linings Ltd. & Past President-ACMA (1996-98) and acknowledged his contribution to the automotive Industry.

Mr Venkataramani briefed that Mr Mahesh was a visionary and extremely passionate about Quality, in fact, he was instrumental in starting the first ACMA cluster in 2001, which he also mentored.

Mr. Mahesh was a strategic thought leader and strongly believed that exports were critical for competitiveness of any company. As part of his endeavour to mobilise exports from the auto component sector in India, he led the largest ever ACMA CEOs' delegation (45 delegates) to Germany during his tenure as President ACMA.

The committee observed a one-minute silence as mark of respect to the departed leader.

Mr Venkataramani then commenced the meeting. He thanked the ACMA Southern Region for organising the EC meeting and for the interactive session, scheduled in the later day, with officials from Government of Andhra Pradesh.

Committee noted the overall Quality Certifications in ACMA Membership as:

Quality Certifications	Total no. as on the date of notes 11 Mar 2019	Total no. as on 22 Mar 2018
ISO 9001	644	716
TS 16949	484	601
ISO 14001	338	343
OHSAS 18001	229	208
JIPM	4	4
TPM	15	15
Deming Prize	18	16
Japan Quality Medal	5	5
Shingo Silver Medallion	2	2

The formal agenda was thereafter taken up for discussion.

No.	Agenda Item	Action Point
1.	<p><u>Confirmation of last EC Meeting Minutes</u></p> <p>Committee approved the minutes of the last meeting of the Executive Committee held on 22nd January 2019 at Chennai.</p>	
2.	<p><u>Review of Pillar Activities</u></p> <p>Committee acknowledged the receipt of MIS report of each Pillar, which had been circulated earlier with Agenda.</p> <p>To share key events organised and those planned, Pillar and sub-pillar Coordinators made a brief presentation to the committee.</p>	

The detailed presentations on each pillar – key activities held and forthcoming ones, is enclosed as

Annexure-II

Some of the key accomplishments/activities held included:

1. ACMA Automechanika, New Delhi; 06-09 Feb, 2019

- Exhibitors: 515, Indian; 276; International: 239
- 13,600 Business Visitors
- International Exhibitors: 4 country pavilions from China, S. Korea, Taiwan and U.K; other exhibitors from Germany, China, Japan, Dubai, Hong Kong, Italy, Belgium, Lithuania, USA, and UAE.
- Special Pavilion: ACMA Safer Drives Pavilion with 11 exhibitors with focus on usage of genuine components to prevent road accidents.

2. ACMA CEO's Study Mission to Israel: 23-28 Feb, 2019: Israel is regarded as one of the most advanced, technology-innovative nations. Israel is today home to over 400 R&D centres of multinational corporations, many of them Fortune 500 companies.

In order to understand the dynamics of the Israel's holistic mobility ecosystem, ACMA organized a study mission with the support of Embassy of Israel (New Delhi), Ministry of Economy and Industry (Israel), Fuel Choice & Smart Mobility Initiative of Israel and the Israel Export and International Cooperation Institute.

The [L] [SEP] delegation of 15 members from 13 companies, was led by Mr. Ram Venkatramani, President, ACMA. [L] [SEP]

The mission involved visit to Israel Export Institute, Israel India Chamber of Commerce, Bar Ilan University, Tel Aviv University, Drive TLV innovation Centre, Ituran, Mobileye, Israel Innovation Authority and interactions with several start-ups, among others. A detailed report of the mission has been circulated to all ACMA members.

3. ACMA Investment Mission to Poland, Hungary

& Slovakia 4 – 6, Feb 2019: The objective of the Mission was to understand the dynamics of the automotive market and investment climate in these fast growing Eastern-European economies as also explore opportunities for setting-up green field/brownfield projects/strategic alliances.

The delegation comprising 9 CEOs was led by Mr. Ram Venkataramani, President, ACMA while Mr. Vikrampati Singhania, Chairman – Pillar 4 – Overseas Investments & International Alliances, ACMA & Managing Director, JK Fenner (India) Ltd. was the Deputy Mission Leader.

- **Poland:** Foreign investors are attracted by the strong economic environment and the developed supply chain. There are 13 Original Equipment Manufacturers (OEM) in Poland. The automotive industry in Poland has received more than \$2 billion in investments over the past four years.
- **Hungary:** It offers a cost-effective manufacturing

base, highly cost competitive labour, competitive component and part suppliers, well-developed logistics and R&D centres. Its highly developed logistics and utilities infrastructure makes it important as a regional distribution centre and a service hub for the CEE region.

- **Slovakia:** It has witnessed a fivefold growth in car production in the last 10 years. Major OEMs present in Slovakia are VW, PSA Peugeot Citroen, KIA and JLR being supplied by almost 350 auto component players. Slovakia's integration with almost all International organisations (UN, WTO, World Bank etc.) and implementation of Euro makes it a favourable destination for long-term business decisions.

A detailed mission report has been circulated for benefit of all ACMA members.

4. Approval of funding of ACMA-UNIDO Next phase: The Department of Heavy Industry, Government of India has approved for Rs. 24 Crore for 3 years project. Under the Phase 1 of this program, 11 Clusters with 100 companies will be launched.

5. Announcement of Phase –II of FAME India Scheme: The Department of Heavy Industry, Government of India announced the Phase –II of FAME India scheme to be effective from April 01, 2019. ACMA contributed significantly to the proposed localisation program of the scheme. Details of the

	scheme are given in the ensuing paragraph.	
<p>3. Update on:</p>	<ul style="list-style-type: none"> ➤ FAME II Scheme ➤ US GSP Benefits ➤ National Mission on Transformative Mobility and Battery Storage <p>President ACMA invited Mr. Vinnie Mehta, Director General, ACMA to make a detailed presentation on the FAME II Scheme, US GSP Benefits and National Mission on Transformative Mobility and Battery Storage, for better understanding of the EC members.</p> <p><u>a). FAME II Scheme</u></p> <p>The Department of Heavy Industry, Government of India notified Phase -II of FAME India scheme for a period of 3 years (2019-22), commencing April 01, 2019.</p> <p>The scheme offers incentives for introduction of e-buses, e-2 wheelers, e-cars (taxis) and e-3 wheelers. A total budget amounting to Rs. 10,000 crores have been allocated to operationalize the scheme. The demand incentive is based on the battery capacity i.e. Rs 10,000/Kwh and limited to 40% of the cost in case of e-buses and 20% in case of the rest.</p> <p>The scheme lays significant focus on localisation of components for manufacturing of e-vehicles as also for setting up of a robust charging infrastructure.</p>	

b). Update on US-GSP Benefits

- USA is the single largest market for the Indian auto components export - it contributes 24% of total auto components export from India
- GSP benefits for India were under scanner since 2015
- GSP benefits for 31 Tariff lines would be impacted after recent withdrawal of GSP benefits by the USTR.
- The impacted tariff lines account for 7% of the total auto component export from India
- Withdrawal of US GSP benefit notification is expected in next 60 days

Withdrawal of GSP Benefits - Illustrative list of auto components impacted:

- Tubes, Pipes and Hoses
- Gaskets, Washers
- Safety Automotive Glass
- Iron & Steel Articles
- Locks
- Engines of cylinder capacity exceeding 250 cc:
(Diesel and Semi-Diesel Engines)
- Mechanical Seals
- Injection pumps for diesel engines
- Bearings
- Electric Motors
- DC Motors
- Starter Motors
- Seat Belts
- Wiring Sets
- Automotive Lamps
- Filters

	<ul style="list-style-type: none"> • Oil Filters <p><u>c). National Mission Transformative Mobility and Battery Storage</u></p> <p>Under the Chairmanship of Prime Minister, Cabinet approved the mission to be administered by the Niti Aayog</p> <ul style="list-style-type: none"> • Phased Manufacturing Programme (PMP) valid for 5 years till 2024 to support setting up of a few large-scale, export-competitive integrated batteries and cell-manufacturing Giga plants in India. • To facilitate localization of production across the entire Electric Vehicles value chain. <p>The detailed presentation on all three subjects is attached as Annexure-III</p>	
<p>4.</p>	<p><u>State of Industry:</u></p> <p><u>Automotive Industry Global Trends:</u></p> <p>To make a presentation on the Automotive Industry Global Trends, ACMA Executive Committee welcomed Mr. Kaushik Madhavan, Frost & Sullivan.</p> <p>Key highlights from the presentations included:</p> <ul style="list-style-type: none"> • World GDP growth will witness slowdown in 2019 and is expected across major global economies. China and the US, with additional tariffs from 2018 to continue to hurt growth. • The Global LV sales are expected to continue grow in 2019 because of Eastern Europe and 	

South America, while sales in North America would slow-down.

- In Global LV Sales of Top 30 Automotive Markets, China and the United States contributed close to 47%; top 6 markets constituted about 64% of the total LV sales.
- Through Big Data Powering Automotive Businesses, 'Internet of Things' will form the foundation for transformative automotive products that include vehicle and device connectivity, autonomous driving, electric powertrains, and shared mobility.
- Introduction to New Vehicle Usership / Ownership Models will witness over 50 vehicle subscription offerings in the market in 2018.
- On chargeable basis, consumers can have unlimited access to public transport services plus limited access to taxis and shared cars for a given number of kms by using the 'Whim' Application available under MaaS Solutions.
- Downstream Services Market to Grow Aggressively in future, new revenue streams from Driving, Vehicle and Mobility services expected to grow to over Euro 3 Trillion by 2025.
- EV Start-up Hotspot by Region focusing on charging solutions and battery tech followed by light electric vehicle makers are higher in each of the regions.
- F&S expects Uberisation of Vehicle Services to grow between \$350-\$400 million worth of vehicle service jobs to be booked online from service marketplaces in 2019 alone

	<ul style="list-style-type: none"> • Global Aftermarket Revenue Market Size Potential expects replacement demand to increase by 4.2% during 2019. • Although the Global Aftermarket growth was recorded slower than last year, India and China both will be the growth engines for aftermarket replacement revenue during 2019. • Improving road infrastructure in developing countries like China and India will propel the average annual miles driven in 2019, which will thereby contribute to increase in aftermarket replacement and services demand. • Advent of shared mobility services have presented the service providers with an opportunity to target their customer acquisition and service efforts in a more concentrated manner. • Aftermarket Trends beyond 2020, will witness disruption in both customer acquisition and service delivery with the adoption of digital solutions, which are already being tested out in different ways across multiple markets. <p>The detailed presentation is attached as Annexure-IV</p>	
<p>5. Membership Matters:</p>	<p>The committee approved membership status of following companies.</p>	

	<p>A. New Members-</p> <p style="text-align: center;"><u>Ordinary Membership:</u></p> <ul style="list-style-type: none"> (i) Him Teknoforge Ltd., Baddi, (NR) (ii) Tej Industries, Ahmednagar, (WR) (iii) Mahesh Industries, Aurangabad, (WR) (iv) Star Auto Industries Pvt. Ltd., Mumbai, (WR) (v) Jalex Tuboflex, Faridabad, (NR) (vi) Universal Precision Screws, Rohtak, (NR) <p>B. Resignations:</p> <ul style="list-style-type: none"> (vii) Wriston Elastomers (P) Ltd., Chennai, (SR) (viii) Alphaa Springs Chennai (P) Ltd., Chennai, (SR) (ix) Ucal Products Pvt. Ltd., Chennai, (SR) (x) Liners India Ltd., Vijayawada, (SR) (xi) PHA India Private Limited, Tamil Nadu, (SR) <p>C. Change in Membership (Region):</p> <p>Sellorap Industries Pvt. Ltd., (NR) has shifted their Head Office to Mumbai and manufacturing Plant to Bhagapura Industrial Area, Ahmedabad district, Gujarat. Hence onwards, membership of the company will be considered from Western region</p> <p>D. Amalgamation / Merger:</p> <p>JTEKT Sona Automotive India Limited (JSAI) has merged with JTEKT India Limited (JIN), a member. Hence its (JSAI) membership ceases.</p>	

<p>6.</p>	<p><u>Date of next meeting:</u></p> <p>President mentioned that the next meeting i.e. the 5th meeting of the Executive Committee 2018-19 is scheduled to be held on Friday – May 03, 2019, coinciding with the SIAM Executive Committee meeting, in New Delhi.</p> <p>The venue details of meeting, will be shared in due course.</p>	
<p>7.</p>	<p><u>Interaction with Andhra Pradesh Economic Development Board (EDB).</u></p> <p>President, ACMA welcomed Mr J. Krishna Kishore, CEO APEDB.</p> <p>Mr. Kishore expressed his gratitude and thanked ACMA in deciding to have the Executive Committee meeting in Andhra Pradesh.</p> <p>Mr. Kishore made a detailed presentation showcasing the achievements of Government of Andhra Pradesh as also the opportunities that the state has to offer.</p> <p>Key highlights from the presentation showcase Andhra Pradesh as the forefront of India’s growth story.</p> <ul style="list-style-type: none"> • 8th Largest state in India spread across 162,968 sq. km • 2nd Longest coastline in India (974 km) • 123 Billion USD GSDP in 2017-18 • 12 airports by 2020 (6 existing) • 50% Targeted increase in urbanization from 35% • 11.2% State GSDP growth, higher than national average 	

India's largest auto entrants in the last two years have invested in Andhra Pradesh.

- Amara Raja - India's 2nd largest auto battery brand Two-wheeler battery plant set up
- Bharat Forge - setting up auto components park.
- Ashok Leyland - World's 4th largest Bus Manufacturer Setting up a Bus manufacturing plant.
- Apollo - One of India's largest tyre manufacturer setting up tyre manufacturing plant.
- KIA - South Korea's 2nd largest car manufacturer Setting up an Integrated manufacturing facility.
- ISUZU - World's Leading diesel engine manufacturer rolled out its first Pickup Truck in April 2016.
- HERO - World's largest manufacturer of 2-Wheelers, set to start civil construction.

The detailed presentation is attached as [Annexure-V](#)

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