

Report of the ACMA Executive Committee to Members

The ACMA Executive Committee is pleased to present its Annual Report together with the Audited Accounts for the year ended 31st March 2021.

FINANCIAL RESULTS

Particulars	Financial Year Ended on 31 st March 2021 (Rs. In Lakh)	Financial Year Ended on 31 st March 2020 (Rs. In Lakh)
Revenue from Operations and Other Income	2013.94	3865.50
Profit before Depreciation and Tax	267.85	562.89
Less : Depreciation	198.13	266.88
Profit before Tax	69.72	296.01
Less : Tax Expenses (Net)	57.86	108.89
Profit after Tax	11.86	187.12
Balance Carried to General Fund	11.86	187.12

OPERATIONAL RESULTS

During the year ended 31st March, 2021 Association recorded a turnover of **Rs.2,014 lakh** as against Rs.3,866 lakh in the corresponding year.

THE INDUSTRY BACKDROP

As you are aware, the Indian automotive industry was already confronted with a phase of slowdown when COVID-19 struck. Consequently, 2020-21 has been the second year of contraction for the industry. Clearly, we are navigating a tough and challenging phase. As an industry, we have risen to these challenges with great aplomb by focussing on fiscal prudence, endeavouring to be even more competitive and transforming our ways of working to meet the requirements of the future.

In effect, as an industry we are in a watershed phase, preparing and transforming ourselves for the next phase of growth and development. During this journey, ACMA has been playing a pivotal role in supporting our membership across the highly complex yet integrated value chain, to overcome the present difficulties and emerge stronger to cater to the demands of an industry in transition – in terms of meeting its customer requirements, technology adoption, skilling its people and regulatory compliance, among others.

Whilst the second wave of COVID-19 in April-May 2021 has hit the industry and the economy adversely and halted the steady recovery, that was underway through the second half of 2020-21, however, it gives me pleasure to state that our members were much better prepared to deal with challenges of the second wave on front of supply chain disruptions, labour mobility and staff health and safety, among others. As a result, as the market conditions have started improving, our members are also well prepared and leveraging the opportunities, so the recovery is expected to be faster.

Our Hon'ble Prime Minister's vision of 'Atmanirbharta' (self-reliance) and 'Lives & Livelihoods' are the two pillars on which the industry is now focused upon. Together with these, the key to success of our industry's fight against adversities has been the spirit of collaboration between the supply chain partners and OEMs and the continuous dialogue amongst all stakeholders including the Governments, Centre and states.

BUSINESS DEVELOPMENT

A major success during 2020-21 has been the rapid digitisation of its operations and processes. In a year where scope of physical meetings was almost none, at ACMA we have continued with our activities with great poise. An overall 628 activities, all on digital platform, have been the highest ever.

Let us highlight some of the key activities at ACMA during the course of 2020-21.

With the theme 'Auto Components Industry - Shaping the New Normal', amidst the impact of pandemic, the 60th ACMA Annual Session focused on the future course for the industry, giving direction and defining pathways to explore new avenues of growth, while building strategies to thrive in the post-COVID world. The event set a benchmark for virtual events in terms of content, quality of speakers and flawless execution. During the event, ACMA launched its new mobile application, which is a one stop destination for all the users and the industry players for information on its services.

The first ever ACMA's virtual Auto Technology Partnership Summit & Expo (ATPSE), jointly organised with the IPO forum, under the aegis of the Ministry of Commerce & Industry, Government of India celebrated Indian auto component industry's strengthening business partnerships with North America, Japan and the European Union. 45 ACMA members displayed their state-of-the-art products and technologies while over 450 international delegates from 37 Countries visited and participated in the event.

The fifth edition of the iAutoConnect 2020 – ACMA's International Reverse Buyers & Sellers Meet, under the aegis of the Ministry of Commerce & Industry, Government of India, witnessed over 65 Indian component manufacturers displaying their products virtually, while over 300 international aftermarket distributors and business delegates, visited and had fruitful engagements with the exhibitors.

With 81 exhibitors on board showcasing 1,233 products, accompanied by a range of product demonstrations and knowledge sessions, the launch edition of ACMA Automechanika virtual was a grand success attracting 2,407 active attendees through its B2B matchmaking platform. The event was organised in partnership with Messe Frankfurt India. Apart from showcasing a wide catalogue of products, the two-day virtual fair also featured a series of live knowledge sessions led by distinguished industry leaders.

The sixth edition of ACMA Technology Summit & Awards themed 'Towards Atmanirbhar Bharat - Technologies for Sustaining Growth', aimed to foster and celebrate indigenous innovations. In this edition of Awards, we received 305, the highest ever number applications, of which 76 were honoured and felicitated for excellence in categories including Manufacturing, New Product Development, Exports, Human Resource Development, and Health Safety & Environment.

In line with its unwavering commitment to contribute towards human resource development, ACMA signed an MoU with Toyota Kirloskar Motor (TKM), where TKM through its training arm Toyota Learning and Development India (TLDI) will share its best practices through 131 programs to create an efficient, agile, and best-in-class automotive workforce. That apart, ACMA continues to be well engaged with the Automotive Skills Development Council (ASDC) as a member of its governing council to develop and deliver appropriate skill development curriculum to support the changing needs of the industry.

We are now entering into a new phase of development for the automotive industry in India, and the key to success in this round will be adoption of a collaborative approach that not only offers necessary solutions to the business needs of our customers but also supports them well in adversities and disruptions. As the apex body for the sector, ACMA will continue to strive to play a pivotal role in this endeavor. Together with all stakeholders, we are preparing for 'Living with Volatility – Survival, Revival and Growth'.

GOVERNMENT ADVOCACY, REGULATORY & RESEARCH

The dynamics of the automotive market in India is undergoing a tremendous change. To support the changing customer needs and to stay relevant, the auto component sector needs to be encouraged with supportive government policies.

In this context, we continued our dialogue across various ministries and departments of the Government. This included several rounds of meetings with key Ministers and functionaries at the Ministry of Heavy Industries and Public Enterprises, Ministry Road Transport & Highways, Ministry of Commerce & Industry, Ministry of Finance, the NITI Aayog and several State Governments.

PRESENCE IN MEDIA

The year also witnessed significant media presence of ACMA, with several interviews and opinion of ACMA leadership and articles in leading national dailies, electronic channels and trade magazines, carrying the voice of the industry to the government and relevant stakeholders. That apart, social media was also effectively used to redouble and reinforce ACMA's media efforts.

NUMBER OF MEETINGS OF THE EXECUTIVE COMMITTEE

The Executive committee met six times during the financial year i.e on 29th May 2020, 24th July 2020, 7th September 2020, 20th November 2020, 22nd January 2021 and 19th March 2021.

CHANGES IN THE EXECUTIVE COMMITTEE

Detail in changes in the key management personnel in the Executive Committee are provided in the Annual Report.

Furthermore, it may be noted that the Company being a Section 8 Company under the Act, provisions pertaining to retirement of directors by rotation is not applicable.

ACMA elects, co-opts members of its Executive Committee comprising of President, Vice President and other members every year as per Memorandum & Articles of Association.

DEPOSIT

The company has not accepted any deposits from the public during the year under record.

AUDITORS AND AUDITOR'S REPORT

Auditors

M/s K.K. Khanna & Co. (Firm Registration No.- 002221N) New Delhi, Chartered Accountants, is proposed to be reappointed as the Statutory Auditors of the Association for the ensuing year 2021-22. Necessary consent from the proposed Auditors' confirming their eligibility for appointment as Auditors of the Association has been received from them. A proposal for the same will be placed before the members at the ensuing Annual General Meeting.

Auditor's Report

The Executive Committee has taken note of the Auditor's Report.

The qualifications made by the Auditors in their report are noted by your Executive Committee and shall take the requisite steps to set them right in due course.

EXTRACT OF ANNUAL REPORT

In accordance with the provisions of the Companies Act, 2013, the extract of Annual Return in Form MGT-9 is enclosed as **Annexure - A** and forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AND INITIATIVE

Association believes that corporate social responsibility programs reflect the human side of corporates, and the management's personal commitments to contribute to the community and society of which they are a part. A well-managed CSR program creates social and environmental value, while supporting a company's key stakeholders.

Association's Corporate Social Responsibility (CSR) programs has been planned with focused approach of building skilled manpower for the industry.

The Association's focus area is largely covered under Schedule VII of the Companies Act, 2013. During the year, the Association made contribution to the Prime Minister's National Relief Fund.

The Association has constituted a CSR committee of the Board and also developed & implemented a CSR Policy in accordance with the provisions of Companies Act, 2013. The Committee monitors and oversees various CSR initiatives and activities of the Association. A detailed Report on Corporate Social Responsibility is annexed herewith as **Annexure-B**.

EXECUTIVE COMMITTEE'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Executive Committee, to the best of its knowledge and ability, confirm that:

- i. in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Association at the end of the financial year and of the profit of the Association for that period;

- iii. they have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Association and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Association and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL FINANCIAL CONTROL

The Executive Committee has adopted the policies and procedures for ensuring the orderly and efficient conduct of its activities, including adherence to the Association's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Association has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has in place an Internal Complaint Committee to redress the complaints and circumstances regarding the behaviour of sexual harassment at workplace. The Policy for the same is placed on the internet for the benefit of its employees. There were no complaints received from any employee during the year under review.

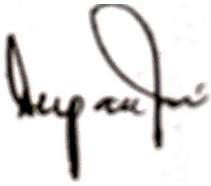
ACKNOWLEDGEMENTS

We, sincerely acknowledge the support of the Governments at the Centre and States, who have been extremely receptive to ACMA's suggestions and inputs. We are grateful to the Ministry of Heavy Industry and Public Enterprises, our nodal ministry, for its unstinted support and guidance. This would be also be the opportune time to place on record our appreciation for the support extended to us by CII, SIAM, IMTMA and other industry bodies.

In conclusion, the year gone by has been one of the most challenging. The auto component industry has however displayed remarkable camaraderie and resilience amidst the turmoil and disruption.

At ACMA, we will continue to strive to service our members with aplomb and adapt to their changing needs. We place on record our sincere appreciation for guidance and encouragement by the ACMA Past Presidents and my colleagues at the ACMA Executive Committee. To all the members and stakeholders including the government, we would like to extend our gratitude for their support. Last but not least, we thank the ACMA secretariat for their tireless efforts, especially in these challenging times.

By order of the Executive Committee

A handwritten signature in black ink, appearing to read 'Deepak Jain', written in a cursive style.

Deepak Jain