Press Release

**ACMA National Conference focuses on Inorganic Growth: Exploring M&As, JVs, & TAs to stay competitive**

ACMA – Grant Thornton releases report on M&A in Auto: Shifting gears to be future ready

**New Delhi, July 18th, 2018:** ACMA, the apex body of the Auto Component Industry in India, organised a national conference on Inorganic Growth: Exploring M&As, JVs, & TAs to stay competitive on July 17, 2018. The conference was inaugurated by Chief Guest Mr Ramesh Abhishek, Secretary - Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India and was presided over by Mr. Nirmal Minda, President, ACMA & Chairman & Managing Director, Minda Industries Ltd. and Mr. S K Arya, Chairperson - ACMA’s Pillar 4 on JV/ TA/ M&A & Chairman & Managing Director, Jay Bharat Maruti Ltd.

The conference had multiple sessions throughout the day where Industry leaders discussed the relevant industry issues. The first session discussed Joint Venture and Technical Partnerships while other sessions deliberated upon Merger & Acquisitions and Inorganic growth: Preparing for the future with case studies. Apart from these session there were learning and interactive session organised to encourage free flow of information and foster better learning.

The event also witnessed release of the ACMA – Grant Thornton special report ‘M&A in Auto: Shifting gears to be future ready’. The report analyses the current landscape for the automotive sector especially in the context of technology disruptions occurring simultaneously across multiple facets of the industry and improving macro- economic factors leading to revival in the consumer demand. The report provides deeper insights on the impact of these trends on the global transaction landscape in this sector.

As per the report, global M&A transaction activity in the automotive sector showed an upsurge in 2018, with total agreement value of announced deals amounted to USD 43 billion, the highest in the last five years. An average disclosed deal size increased to USD 128 million in 2018 showing a 1.3x growth from 2017. The report highlights various aspects under Merger & Acquisition (M&A) and states that M&A deal volumes in the Indian auto space have remained steady with 18 announced transactions in H1 2018 worth USD 500 million (mn). While deal volumes pertaining to mid-market players have been limited, there is an increasing focus on exploring inorganic opportunities amongst this segment on the back of increasing cash reserves and reasonable valuations in the overseas markets. Another key trend, mentioned in the report is that while strategic investors continue to be the primary drivers for deals in the industry, similar to develop markets globally, a maturing industry landscape with the emergence of several scaled up players is also providing buy-out opportunities for large financial investors to participate in the growth story of the sector.

**Mr. Ramesh Abhishek, Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce & Industry,** **Government of India** said “The auto component industry in India is a testimony to India's spirit of entrepreneurship. However, in order to stay competitive and relevant, the Indian Auto component Industry will have to acquire newer technologies and capabilities. We have started to feel the heat of global disruption and it is only imperative that Indian component manufacturers explore new opportunities beyond the traditional and enhance their capabilities through technical Tie ups/ JV/ Partnership, M&A (inbound and outbound) and build affordable, innovative, technological competencies for staying relevant and for future growth. The Government of India has helped the industry cope up with a lot of challenges and will come up with new industrial policy initiatives to address the rising concerns around sustainability.”

**Speaking on the occasion, Mr. Nirmal Minda, President ACMA** said, ‘The automotive industry across the world and in India is going through a wide range of disruptions. There is a dire need for the Indian auto component industry to stay relevant and accelerate investments in technology development and acquisitions. It is in this context, that we have set-up a dedicated pillar in ACMA to focus on M&A, JVs, Technology Collaborations and strategic partnerships. Further, with insights gained from ACMA - Grant Thornton report, we have put the gear in motion for the industry to be future ready’.

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**About ACMA: About ACMA**

The Automotive Component Manufacturers Association of India (ACMA) is the apex body representing the interest of the Indian Auto Component Industry. Its membership of over 800 manufacturers contributes more than 90% of the auto component industry’s turnover in the organised sector. ACMA is an ISO 9001:2008 Certified Association.

The Indian auto-component industry registered a turnover of Rs. 2,92,184 crore (USD 43.55 billion) growing by 14.3 per cent, and exports grew by 3.1 per cent to Rs.73,128 crore (USD 10.90 billion) in 2016-17, registering a CAGR of 11 percent over a period of six year. ACMA has played a pivotal role in supporting its members in export development and in discovering new market opportunities, currently the industry exports to more than 160 countries.

**For further information:**

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| ACMA  Harkaran Malhotra  9818388411/9873784038  harkaran.malhotra@acma.in | Avian Media  Saurabh Gupta| M: 9818075578 | E: [saurabhgupta@avian-media.com](mailto:saurabhgupta@avian-media.com)  Stuti Chabbra | M: 9873945222 | E: [stuti@avian-media.com](mailto:stuti@avian-media.com) |