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Mr Nirmal K. Minda, President, ACMA, addressing the delegates

Messrs Vinnie Mehta, DG, ACMA, S K Arya Chairperson, Pillar 4, ACMA and CMD, JBM, Ramesh Abhishek, Secretary, Ministry of Commerce & Industry, Vishesh Chandiook and Vikram Pati Singhania, at ACMA's National Conference on Inorganic Growth held in the Capital

ACMA national conference focuses on inorganic growth

Report on M&A released

THE Automotive Component Manufacturers Association of India (ACMA) organised a national conference on 'Inorganic Growth: Exploring M&As, JVs, & TAs to stay competitive' on July 17 in the Capital.

The event also witnessed release of the ACMA – Grant Thornton special report 'M&A in Auto: Shifting gears to be future ready'.

The conference was inaugurated by Chief Guest Mr Ramesh Abhishek,

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Secretary - Department of Industrial Policy & Promotion, Ministry of Commerce & Industry. It was presided over by Mr Nirmal K. Minda, President, ACMA & Chairman & Managing Director, Minda Industries Ltd. and Mr S K Arya Chairperson, ACMA's Pillar 4 & CMD, Jay Bharat Maruti Ltd.

The conference had multiple sessions throughout the day where industry leaders discussed relevant 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 sessions 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 \$43 billion, the highest in the last five years. An average disclosed deal size increased to \$128 million in 2018 showing a 1.3x



Messrs S K Arya, Ramesh Abhishek, Nirmal K. Minda, Vishesh Chandiook and Vikram Pati Singhania, releasing the Grant Thornton special report on 'M&A in Auto: Shifting gears to be future ready' at the event

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 \$500 million (mn).

Mr Abhishek 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 at the event, Mr Nirmal K. Minda 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."