

News monitored for: ACMA

STRONG DEMAND

Auto parts makers post highest revenue in six years on robust vehicle sales

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NEW DELHI: Auto parts makers in India posted the highest sales in six years buoyed by robust demand for cars, trucks and motorcycles in the world's fourth-largest automobile market.

Cumulative sales rose 18% to more than ₹3.45 trillion in the financial year ended March 31, the Automotive Component Manufacturers Association of India (ACMA) said on Monday. It is the highest growth in industry sales as well as percentage growth since 2012-13.

The parts makers recorded sales of ₹2.92 trillion in the previous year, ACMA said in a presentation to reporters.

Automobile sales weakened after the government



Exports of auto parts from India also carried on the growth path, MINT

banned high-value currency notes in November 2016. Sales began to revive as companies launched new models and banks offered easier financing.

Passenger vehicle sales touched the 3 million mark for the first time last year. Truck and bus sales surged

20% to 856,453 vehicles, while two-wheeler sales touched a record 20.19 million units, according to data issued by the Society of Indian Automobile Manufacturers.

Exports of auto parts from India also carried on the growth path amid a recovery in global economy and auto makers' drive to cut costs and boost profitability by sourcing from low-cost regions such as India.

Exports surged 24% in the last financial year to ₹90,571 crore—the highest in five years, the industry body said.

Imports, however, jumped 18% to ₹1.06 trillion, rebounding from a flat growth in the previous year, due to a surge in imports of Chinese parts. Chinese parts comprised almost 27% of total imports last year.