



Automotive Component Manufacturers Association Of India

Press Statement

ACMA welcomes a pro-manufacturing & growth oriented Union Budget

- **Import Duty on select Auto Components enhanced to 15%**
- **Reduction in Corporate Tax for MSMEs to 25%**

New Delhi, February 1, 2018: ACMA, the apex body representing India's auto component sector, welcomed the measures announced in the Union Budget for providing the much needed thrust to the economy and making it inclusive. The industry body expressed satisfaction on the focus on development of rural economy, manufacturing, infrastructure, education, ease of doing business, attracting investments and encouraging innovation and digitization.

Congratulating the **Union Finance Minister, Arun Jaitley, President ACMA, Nirmal Minda**, said, "The Budget unveiled by Hon'ble Finance Minister is indeed inclusive and pro-manufacturing. The component sector is delighted that the duty on select items such as engine & transmission parts, brakes and parts thereof, suspension and parts thereof, gear boxes and parts thereof, airbags etc. have been enhanced from 7.5/10% to 15%. These items account for more than 50% of USD 43.5 billion domestic component industry's turnover and over 30% of its USD 11 billion exports. The industry is extremely competitive in these areas and this measure will not only encourage investments but also encourage technology development in these areas."

Further, reduction in corporate tax to 25% for SMEs with turnover of up to Rs. 250 crore is yet another welcome step as over 80% of the companies engaged in the auto component manufacturing are SMEs. This measure, as also enhanced budgetary allocation of Rs 3,794 crore for credit support, capital and interest subsidy will have a benign impact on the smaller enterprises. That apart, simplification of procedure for credit availability through online-system for SMEs is a very welcome step.

The thrust given to the development of rural economy, infrastructure, particularly roads, augurs well towards creating a vibrant automotive market in the country, which in turn, will fuel growth and development of the domestic auto component industry.

About ACMA: The Automotive Component Manufacturers Association of India (ACMA) is the apex body representing the interest of the Indian Auto Component Industry. Its active involvement in trade promotion, technology up-gradation, quality enhancement and collection & dissemination of information has made it a vital catalyst for this industry's development. ACMA's charter is to develop a globally competitive Indian auto component Industry and strengthen its role in national economic development as also promote business through international alliances. ACMA is an ISO 9001:2008 certified Association

For further details:

ACMA:

Harkaran Malhotra|9873784038|harkaran.malhotra@acma.in

Avian Media:

Saurabh Gupta|9818075578|saurabhgupta@avian-media.com
Stuti Chhabra |9873145222 |stuti@avian-media.com