



Automotive Component Manufacturers Association Of India

Press Statement

ACMA welcomes a pro-manufacturing & growth oriented Union Budget

- Focus on promoting and manufacturing EVs
- Import Duty on select Auto Components enhanced

New Delhi, July 05, 2019: ACMA, the apex body representing India's auto component sector, welcomed the measures announced in the Union Budget for providing a much needed thrust to the structural reforms to make India a USD 5 Trillion economy by 2025. The industry body expressed satisfaction on the focus on development of rural and urban economy, manufacturing, infrastructure, education & skilling, ease of doing business and life, attracting investments and encouraging innovation and digitization.

Congratulating the Union Finance Minister, Nirmala Sitharaman, President ACMA, Ram Venkataramani, said, "The Budget unveiled by Hon'ble Finance Minister is indeed futuristic and lays the foundation for India becoming a global economic powerhouse in the next few years. The industry welcomes the measures announced to improve liquidity in NBFCs. This will provide respite to the cash-crunch being faced by the industry as also help improve sales in the auto sector. NBFCs today extend credit for most vehicle sales in the country."

"We are also glad that the Government envisions making India a global hub for manufacturing of EVs. Reduction of GST from 12 per cent to 5 per cent and additional Income Tax deduction of rupees 1.5 lakh on interest paid on loans for purchase of EVs are steps in the right direction to make EVs affordable. Further, focus on mega manufacturing projects for semiconductors, photo-voltaic cells, Li-ion battery, etc. will facilitate localization and spur manufacturing of EV components in India", added Ram.

He further mentioned, "enhancement of duty on select items such as oil & air filters, glass, lighting, vehicular locks, horns, sound signal equipment, wind screen wipers, catalytic convertors etc. is welcome. This will not only provide impetus to the local manufacturing industry but also prevent sub-standard imports that adversely impact the domestic market, especially the aftermarket."

Other promising measures announced include extending 25 per cent corporate tax to companies with turnover of up to rupees 400 crore. Over 70 per cent of the companies engaged in the auto component manufacturing are SMEs and will gain from the measure.

Focus on AI, IoT, big data and robotics are key to modern manufacturing and improving productivity. These will facilitate India in being a globally competitive manufacturing nation.

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 information:

ACMA Upender Singh Upender.singh@acma.in	Avian Media Saurabh Gupta M: 9818075578 E: saurabhgupta@avian-media.com Mili Anand M: 9560577831 E: mili@avianwe.com
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