**Press Statement**

**ACMA welcomes amendment in criteria for MSME definition**

**New Delhi, February 12, 2018:** ACMA, the apex body representing India’s auto component sector, welcomed the amendment made by the Cabinet to the criteria for Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. The criteria was earlier based on investments made in plant and machinery has now been changed to annual turnover.

Congratulating the Government, **Mr Nirmal Minda, President, ACMA** said, “This decision is indeed welcome, as over 80% Indian auto component manufacturers in India are MSMEs. The earlier definition had become out-of-date as the investments by industry today far exceed the earlier prescribed slab.”

The new criteria is a step forward towards ease of doing business, and will bring transparency between the MSMEs and the regulatory authorities. Further, it will also help align MSMEs to new indirect tax regime i.e. the Goods & Services Tax (GST) and pave the way for an increased direct and indirect employment in the MSME sector.

According to the new amendment, MSME will be categorized on the basis of their annual turnover instead of investment in plant & machinery/equipment as under:

* Micro enterprise - annual turnover that does not exceed Rs. 5 crore.
* Small enterprise - annual turnover more than Rs. 5 crore but does not exceed Rs 75 crore.
* Medium enterprise - annual turnover that is more than Rs. 75 crore but does not exceed Rs. 250 crore.

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***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:**

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| **ACMA:**  Harkaran Malhotra|9873784038|[harkaran.malhotra@acma.in](mailto:harkaran.malhotra@acma.in) | **Avian Media:**  Saurabh Gupta|9818075578|saurabhgupta@avian-media.com  Stuti Chabbra |9873145222 [|stuti@avian-media.com](mailto:|stuti@avian-media.com%20) |