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| **Automotive Component Manufacturers Association Of India** |

**Press Statement**

**ACMA welcomes New Definition of MSMEs & Further Infusion of Liquidity**

**New Delhi, May 13, 2020:**  ACMA, the apex body representing India’s auto component manufacturing sector, hailed the measures announced by the Government today. The association stated that this would give a big boost to the MSME sector, which has been under severe stress due to the lockdown.

Terming the first tranche of Economic Revival Package as timely and pragmatic, **President ACMA, Deepak Jain,** said, *“The announcement made by Hon’ble Finance Minister in context of ‘Atmanirbhar Bharat’ as envisioned by our Hon’ble Prime Minister, is indeed heartening and reassuring. Change in definition of MSMEs has been a long-standing recommendation of ACMA. With this new classification, a significant number of ACMA members stand to benefit as the sector is dominated by smaller enterprises. That apart, infusion of liquidity through the Collateral Free Automatic loans and the Subordinate debt scheme, will ease the severe challenge of Working Capital being faced by the sector.”*

*“We are also hopeful that the Government will soon announce a package for demand generation for the automotive sector. A uniform GST rate of 18% on all vehicles and auto components, backed by an incentive-based scrappage policy would bring the automotive industry back on track. That apart, we look forward to support from the government for payment of salaries of workmen and contractual labour during the lockdown period.”,* **added Jain.**

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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 membership of over 850 manufacturers contributes more than 90% of the auto component industry’s turnover in the organized sector. ACMA is an ISO 9001:2015 Certified Association.

The Indian Auto-Component Industry witnessed a growth of 14.5% posting a turnover of Rs. 3,95,902 crore (USD 57.10 billion) in the FY 2018-19. While the exports showed a growth of 17.1% scaling to Rs. 106,048 crore (USD 15.16 billion) in FY 2018-19. The Aftermarket grew by 9.6% to Rs. 67,491 crore (USD 10.1 billion) from Rs 61,601 crore (USD 9.2billion) in the previous fiscal.

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