

News monitored for: ACMA

Auto-comp makers seek 18% GST

New Delhi: Auto-component industry has sought uniform 18% GST across the sector stating that low taxation would lead to better compliance and and larger tax base.

The industry, which reported a growth of 18.3% to Rs 3.45 lakh crore in 2017-18, said the lower tax levy would also help in curtailling flourishing of grey operations in the aftermarket.

“One of the key demands of the industry has been a uniform 18% GST rate across the auto component sector. Currently 60% of the components attract 18% GST rate, while the rest 40%, majority of which are two-wheelers, and tractor components attract 28%,” said ACMA president Nirmal Minda.

Automotive Component Manufacturers Association of India (ACMA) further sought creation of a fund to support indigenous research and development (R&D) and technology creation in the component industry.



“There is a critical need for creating a fund to support indigenous R&D and technology creation in the component industry as also for technology acquisition from other parts of the world,” he added.

Besides, it also sought a clear technology agnostic road map for the electric mobility in the country.

“As we prepare for the introduction of electric mobility in the country, a well-defined, technology agnostic

road map with clear responsibilities of each stakeholder will go a long way in ensuring a smooth roll out as also leading to creation of a local supply base for the same,” Minda said.

The industry body also advocated for notification for change in the micro, small and medium enterprises (MSME) definition as that would allow for larger number of companies to avail government incentives.

Commenting on the per-

formance of the auto component industry, ACMA Director General Vinnie Mehta said 2017-18 witnessed an upswing in the overall performance of the vehicle industry, despite it facing several regulatory challenges.

The component industry, in tandem, posted an encouraging performance with significant growth of 18.3% over the previous fiscal, registering a turnover of Rs 3,45,635 crore (\$51.2 billion), he added. —PTI