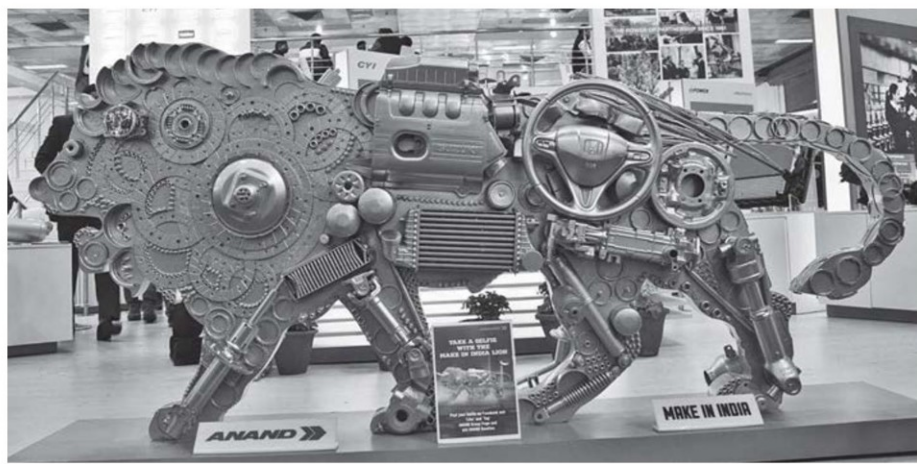


News monitored for: ACMA



Auto parts sector seeks uniform 18% GST

FC BUREAU

New Delhi

THE auto component industry on Monday sought uniform 18 per cent GST across the sector stating that low taxation would lead to better compliance and larger tax base. The industry, which reported a growth of 18.3 per cent to Rs 3.45 lakh crore in 2017-18, said the lower tax levy would also help in curbing flourishing of grey operations in the aftermarket.

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

The automotive compo-

nent manufacturers association of India (ACMA) further sought creation of a fund to support indigenous research and development 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, 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 definition as that would allow for larger number of companies to avail government incentives.

On the performance 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 per cent over the previous fiscal, registering a turnover of Rs 3,45,635 crore (\$51.2 billion), he said. Further exports, grew by 23.9 per cent in 2017-18 to Rs 90,571 crore (\$13.5 billion), he added. The automotive component industry contributes 2.3 per cent to India's GDP and has a share of 4 per cent in the country's overall exports.