

**Press Statement**

**ACMA Congratulates the Hon’ble Finance Minister on a Forward-Looking Budget 2025-26**

**New Delhi, February 1, 2025**: The Automotive Component Manufacturers Association of India (ACMA) applauds the Hon’ble Finance Minister, Smt. Nirmala Sitharaman, for presenting a progressive and growth-oriented Union Budget 2025-26. The budget reflects the government’s strong commitment to strengthening India’s manufacturing sector, fostering innovation, promoting exports and accelerating the transition to clean mobility.

**Boosting the Auto Component Industry & MSMEs:** The budget’s focus on **MSMEs as a key driver of economic growth**, with enhanced credit guarantees and revised classification criteria, is a welcome move for the auto component sector. The increase in credit guarantee cover for micro and small enterprises from ₹5 crore to ₹10 crore will encourage investments in technology and R&D, crucial for the industry's global competitiveness.

**Accelerating ‘Make in India’ & Clean Mobility:** The **National Manufacturing Mission** and the emphasis on **Clean Tech Manufacturing**, particularly for **EV batteries, motors, controllers, and high-voltage transmission equipment**, will provide a much-needed boost to the industry’s localization efforts. ACMA appreciates the government’s initiatives to support the development of a robust EV supply chain and promote sustainable mobility solutions.

**Strengthening Supply Chains & Export Competitiveness:** The introduction of **BharatTradeNet** and the **Export Promotion Mission** will help integrate India’s auto component sector into global supply chains. ACMA welcomes the government’s decision to support MSMEs in overcoming non-tariff trade barriers and facilitate easier access to export credit, enhancing the sector’s global competitiveness.

**Customs Duty Rationalization & Taxation Reforms:** The industry appreciates the **rationalization of customs duties on key raw materials** and the reduction of inverted duty structures, which will make domestic manufacturing more cost-effective. The **duty exemption on capital goods for EV battery manufacturing** is a strong step toward enabling India’s transition to electric mobility.

**Speaking on the Budget, Shradha Suri Marwah, President, ACMA, said,**
*"The Union Budget 2025-26 is forward-looking and growth-centric, reinforcing the government’s commitment to strengthening India’s manufacturing sector and driving the transition to cleaner mobility solutions. The focus on MSMEs, innovation, exports and supply chain resilience will provide a strong impetus to the auto component industry. Further, the proposals for personal Income Tax will put more money in the hands of people thus fuelling consumption leading to economic growth."*

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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 1,000 manufacturers contributes more than 90% of the auto component industry’s turnover in the organized sector. In FY2024, the combined turnover of the Auto Component Industry stood at USD 74.1 billion with USD 21.2 billion in exports and a trade surplus of USD 300 million.

**For further details:**

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