

# ACMA makes strong pitch for boosting capex, reducing GST

**BUDGET WISHLIST.** Component makers' body also seeks additional investment allowance

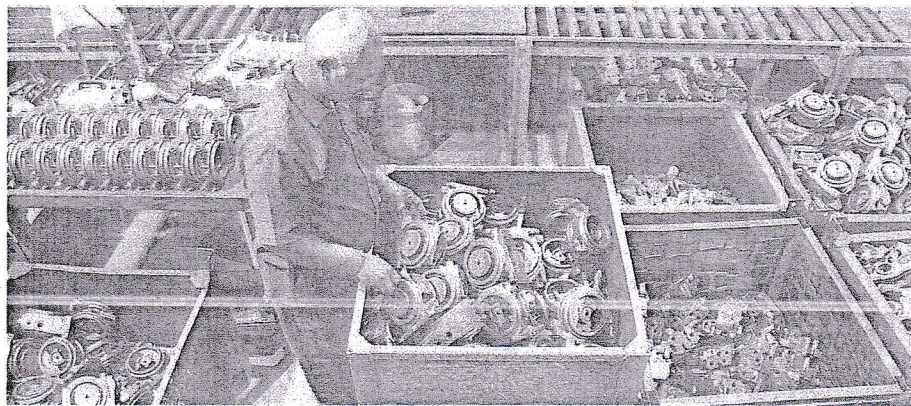
**Our Bureau**  
New Delhi

The Automotive Component Manufacturers Association of India (ACMA) said on Monday it has sent its recommendations for Union Budget 2024-25, proposing several key measures to further bolster the sector that include incentivising capex expenditure by reintroducing additional investment allowance provisions.

It has also asked for increasing depreciation rates on plant and machinery in the auto component industry from 15 per cent to 25 per cent, and rationalising GST rates on electric vehicles (EVs) and their components.

## **GST ON EV BATTERIES**

The industry has been requesting to reduce the GST on batteries from 18 per cent to 5 per cent so that the cost of EVs becomes affordable,



**COMPONENTS OF GROWTH.** ACMA has also asked for increasing depreciation rates on plant and machinery from 15 per cent to 25 per cent PERIASAMY M

which would also help in the faster adoption of EVs.

Although GST rate adjustments fall under the jurisdiction of the GST Council, the auto industry is hoping that the upcoming Budget might provide some relief.

## **TAX DEDUCTIONS**

The veterans in the auto industry feel that such adjustments in the GST rates

would help manufacturers allocate more investment to research and development in the EV sector.

Further, the ACMA has requested the government for clarification of tax deductions and perquisites under Section 194R and has also suggested an amnesty scheme for resolving legacy disputes under Customs laws.

“ACMA is looking forward to a growth-oriented Budget with a continued thrust on reforms and infrastructure development. Schemes such as the PLI have been of great support to the automotive industry, and we are hopeful that such measures will be continued,” Shradha Suri Marwah, President - ACMA and Chairman and Managing Director, Subros, said.