

Emerging SMEs of India-Auto Components

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Preface Dun & Bradstreet India takes another step forward in its commitment to servicing small and medium enterprises in India. In a strategic association with SME Rating Agency of India Ltd (SMERA), D&B India has conceptualised a series of publications titled, 'Emerging SMEs of India'. 'The Emerging Auto Component SMEs of India' marks the first in this sector-based series. The SME segment has lately come into the limelight, with increased focus from several government institutions, corporate bodies and banks, and is viewed as agents of growth. Apart from the policy focus and government's thrust towards promoting the SME segment, globalisation and India's robust economic growth has opened several latent business opportunities for this segment. However, there is a serious lack of structured information on India's SME sector. A sincere attempt to fulfil this shortcoming was our principal rationale in undertaking this exercise. This unique publication is in recognition of the significant contribution made by SMEs to India's industrial development. It is estimated that SMEs account for almost 90% of industrial units in India and 40% of value addition in the manufacturing sector. They contribute 35% to India's merchandise exports. This one-point reference document will provide a platform that enhances the visibility of these integral players in India's economic growth story. The publication was a challenge and involved contacting over 1,000 companies, screening them on the basis of turnover, investment and employee size. The end result is a repository of authenticated information on the truly small and medium enterprises that have a turnover of less than Rs 1,000 mn. Current trends in the auto component industry are indicative of a period of high growth at least for another decade. With expectations of over 20% consistent annual growth till 2010, several Indian companies are actively pursuing capacity expansion and entering into joint ventures with foreign component manufacturers. India has also emerged as an outsourcing hub for auto parts. The insights given in this publication based on a statistical analysis of data collated from companies points to some interesting benchmarks for the auto component companies in the small and medium segment. The SME publication preserves the D&B lineage of providing information and knowledge that facilitate informed business decisions. D&B India has drawn on its time-tested expertise in the information business to the benefit of the small and medium companies, as this publication amply reflects. Finally, I would like to thank the SME Rating Agency of India (SMERA) for their consistent support in this exercise. I hope you find this issue of 'Emerging Auto Component SMEs of India' useful and I look forward to your suggestions.

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