

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
DEPARTMENT OF HEAVY INDUSTRY

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 3217**  
**TO BE ANSWERED ON 23.04.2013**

Excise duty on SUVs.

**3217.** Shri A. Elavarasan:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Ministry has urged the Ministry of Finance to limit the 3 per cent excise duty hike on Sports Utility Vehicles (SUVs) to a year and keep the models priced below Rs. 10 lakh out of its ambit, as the domestic car makers are in the midst of the worst sales dip in a decade;
- (b) if so, the details thereof;
- (c) whether the move is being seen as a welcome relief for the auto industry as sub Rs.10 lakh SUVs account for 85 per cent of sales in this segment and which has a growing demand in both urban and rural markets; and
- (d) if so, the details thereof?

**ANSWER**  
**MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES**  
**(SHRI PRAFUL PATEL)**

(a) to (d): Yes Sir. The auto industry is going through difficult times. Latest industry trend indicates a slowdown. The sales figures of 2012-13 recorded a growth of 2.61% only as compared to 12.24% in 2011-12. There is a negative growth of 1.34% in exports during the same period. The passenger car segment has recorded a negative growth of 6.69%. The sales of commercial vehicles segment has also been adversely impacted which is evident from the fact that there is a dip of 2.02% in the sales as compared with 2011-12. This is likely to cause a setback to the achievement of targets set under Automotive Mission Plan 2006-16. The present notification issued by the Finance Ministry for the levy of additional 3% excise duty will further impact the industry and will also discourage the consumers as the commonly used vehicles in rural and semi-urban area have come under this additional 3% excise duty. Therefore, Ministry of Heavy Industries & Public Enterprises has requested Ministry of Finance either to withdraw the additional 3% Excise Duty imposed on SUVs in the current Union Budget or to exempt all such vehicles classified as SUV that have an assessable value upto Rupees Ten lakh.

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