

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

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LOK SABHA

UNSTARRED QUESTION NO.2854

TO BE ANSWERED ON FRIDAY THE 2<sup>ND</sup> DECEMBER, 2016  
AGRAHAYANA 11, 1938 (SAKA)

LACK OF CLARITY ON GST

**2854. SHRI MUTHAMSETTI SRINIVASA RAO (AVANTHI):**

Will the Minister of FINANCE be pleased to state:

- (a) whether certain auto industry stakeholders have expressed concern over lack of clarity on GST and the time for its implementation, if so, the details thereof;
- (b) whether the auto industry felt that tax differentiation in auto industry is huge when compared to other major markets, if so, the details thereof;
- (c) whether this action is limiting the company to offer limited model line up to customers on bringing globally successful models to India due to competitive pricing pressure; and
- (d) if so, the details thereof and the steps taken to redress auto major grievances?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI SANTOSH KUMAR GANGWAR)

**(a):** Government has received representations from various auto industry stakeholders suggesting issues that need to be addressed before the implementation of the Goods and Service Tax.

**(b):** Excise duty structure for passenger vehicle (cars) is as under,-

Segment	Excise
<b>Small Cars of length not exceeding 4m:</b>	
a) Petrol, Liquefied petroleum gases (LPG) or compressed natural gas (CNG) driven vehicles of engine capacity not exceeding 1200cc, and	12.5%
b) Diesel driven vehicles of engine capacity not exceeding 1500 cc.	12.5%
<b>Mid Segment Cars:</b>	
Motor vehicles of engine capacity not exceeding 1500 cc	24%
<b>Large Cars:</b>	
Motor vehicles of engine capacity exceeding 1500 cc other than SUVs.	27%
Sports Utility Vehicles and other Utility Vehicles	30%

**(c) and (d):** As per the representation of the industry, during 2015-16 and 2016-17 (upto August, 2016), the sales in the passenger car segment has seen growth of 7.24% and 10.74%, respectively.

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