

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY
LOK SABHA
UNSTARRED QUESTION NO. 2366
ANSWERED ON 09.03.2021

HIGH REVENUE LOSSES IN AUTOMOBILE INDUSTRY

2366. SHRI Y.S. AVINASH REDDY:
SHRI KANUMURU RAGHU RAMA KRISHNA RAJU:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES भारी उद्योग एवं लोक उद्यम मंत्री be pleased to state:

- (a) whether the Government has taken note of the high revenue losses being suffered by the Automobile Industry in the country;
- (b) if so, the details thereof;
- (c) whether the Government has received any representation from All India Automobile Industry Association urging the Government to come to their rescue in the wake of rampant spread of COVID-19 in the country;
- (d) if so, the details of the concessions and exemptions sought for their survival; and
- (e) the steps being taken by the Government in this regard?

ANSWER
THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES
(SHRI ARJUN RAM MEGHWAL)

(a) & (b): The sales in some segments of the Automobile industry has improved over last few months. The details are as under:

Sales of vehicles

Category	Year	Oct	Nov	Dec	Jan
Passenger vehicle	2019-20	271,737	253,139	222,728	248,840
	2020-21	310,294	264,898	252,998	276,554
Commercial vehicles	2019-20	195,211 (Oct-Dec)			NA
	2020-21	193,034 (Oct-Dec)			NA
Three- wheelers	2019-20	66,985	55,778	53,795	60,903
	2020-21	26,187	23,626	22,126	26,335
Two-wheelers	2019-20	1,757,180	1,410,939	1,050,038	1,341,005
	2020-21	2,053,814	1,600,379	1,127,917	1,429,928

Source: SIAM

(c) to (e): Yes, a few representations have been received from Society of Indian Automobile Manufacturers (SIAM) seeking support. The Government, as a policy maker, attempts to keep and improve momentum of the economy through a package of measures for comprehensive and continued development of the industry. Recently, the following measures have been announced to support Auto Sector:

i) Union Cabinet on November 11, 2020 has given its approval to introduce the Production Linked Incentive (PLI) scheme to 10 specified key sectors including Automobile & Auto Components sectors for a period of five years with a financial allocation of Rs. 1,45,980 crore to enhance India's Manufacturing Capabilities. The automotive industry is a major economic contributor in India. PLI scheme will make the Indian Automotive Industry more competitive and will enhance globalization of the Indian Automotive sector.

(ii) Announcement of a voluntary vehicle scrapping policy, to phase out old & unfit vehicles.

(iii) The whole sale, and retail trade and repair of vehicles was brought under the ambit of the MSME Development Act.

(iv) In Budget 2021-22, a scheme to support augmentation of public transport bus services is announced with total outlay of Rs. 18,000 crore.
