

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:1832
ANSWERED ON:10.08.2006
PRODUCTION AND SALE OF SMALL CARS .
Kharventhan Shri Salarapatty Kuppusamy

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

- (a) Whether the production and sale of small cars in the country has increased;
- (b) If so, the details thereof during each of the last three years;
- (c) Whether the Government has any proposal to make India as a hub for small cars;
- (d) If so, the details thereof; and
- (e) The steps taken to further promote the production and sale of small cars in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SMT. KANTI SINGH)

(a) & (b): Yes, Sir. The details of production and sale of small cars

(as defined in Auto Policy, 2002) in the country during the last three years is as given below:-

Year	Production	Domestic sale
2003-04	622832	537054
2004-05	741278	612532
2005-06	812852	662095

(c) to (e): The Auto Policy, 2002 envisages India to become an Asian hub for export of small cars and focuses on growth of this segment. In the Finance Bill 2006, excise duty on specified small cars has been reduced from 24% to 16% to promote production and sale of vehicles in this segment.