

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

UNSTARRED QUESTION NO:2640  
ANSWERED ON:09.12.2014  
MAKING INVESTOR FRIENDLY POLICIES  
Thomas Prof. Kuruppassery Varkey

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

(a) whether automobile manufacturers in the country have highlighted a series of roadblocks including delay in clearance taxation maze, infrastructure bottlenecks and logistics that posed major hindrances for conducting business smoothly in India, and urged the Government to make its policies investor and business friendly; and

(b) If so, the details thereof and the response of the Government thereto and the action taken thereon?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
(SHRI G.M. SIDDESHWARA)

(a) & (b): Society of Indian Automobile Manufacturers (SIAM) and Automotive Component Manufacturers Association of India (ACMA) submit pre budget memorandum every year which is considered by Government during preparation of annual budget. Government also received representations from automobile manufacturers time to time.

The Government has taken several initiatives for growth of automobile industry. At present, 100% FDI is allowed in automobile sector. The Government has also reduced excise duty rates on vehicles which has helped boost sales in the past several months. Further, the Government has drawn a ten year Automotive Mission Plan (AMP) 2006-16 for the Indian Automotive Industry to maintain high rate of growth and to retain the attractiveness of Indian market and for further enhancing the competitiveness of Indian companies. The Mission plan is a corner stone of the govt. Policy for the sector. Apart from this, the Government has also taken several other initiatives to strengthen this sector; such as support to R&D projects through automotive cess funding; implementation of National Automotive R&D Infrastructure Project (NATRIP) for setting up of world class infrastructure for homologation and testing; setting up of the National Automotive Board (NAB) as a repository of auto R&D expertise and an apex coordinating body to address the need of collaborative R&D and synergizing the activities of NATRiP. The Government has also taken initiative for introducing Electric/ Hybrid transportation in the country under National Electric Mobility Mission Plan (NEMMP) 2020 to provide clean mobility solutions to the people while reducing the country's dependence on fossil fuel.