
Uttar Pradesh automobile industry receives another setback

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It is reported that Uttar Pradesh's automobile industry already battered by the global meltdown has received yet another setback after the state government decided to raise the transport registration fee, ranging from INR 5,000 to INR 50,000, depending upon the nature of vehicles. The tax slab in Uttar Pradesh is already higher than some neighbouring states, forcing customers to move there.

The move has triggered apprehension among the state's automotive component manufacturers, traders and distributors engaged in the industry. Mr Punit Khanna of Khanna Hyundai said that the sudden spike in registration charges was totally uncalled for as the industry was already in poor shape. He added that "Even as we are struggling with a number of glitches like financing troubles, high tax rates and dropping sales, the step will further smother our plans. The infrastructure is in poor shape, while the taxation slabs are being raised regularly."

Mr Suresh Puri MD of JS Auto said that "The government has raised the fee from INR 20,000 to INR 50,000 for commercial vehicles which will affect our plunging sales as the customers will opt to purchase from Delhi, Bihar and Uttarakhand."

(Sourced from Business Standards)

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