

Budget proposals spark optimism in auto sector

Aroosa Ahmed
Mumbai

While there were no direct announcements for the automobile sector in the Budget, the exemption of customs duty on minerals is expected to help reduce electric vehicle prices, while changes in personal income tax and announcement of employment support are expected to help sales of passenger vehicles and two-wheelers in the country.

“Focus on rural development, infrastructure investments, road connectivity, employment generation, talent upskilling, better financing environment, etc. augurs well for the automotive sector. Centre’s thrust towards supporting agrilinked cash flows through rural infrastructure development and improved alloc-



IN TOP GEAR. Automobile dealers are anticipating an uptick in demand due to the initiatives announced by the government PT

ation for farmer welfare schemes continued in the Budget.”

I-T REVISION

“The revision in personal income tax slabs shall boost disposable income, thus triggering demand creation, especially for two-wheelers, where demand has been considerably affected in recent years due to a sharp rise in total ownership costs.

announced by the government. “The adjustments in personal income tax, including increased standard deductions and relief for salaried employees and pensioners, are welcome measures that will enhance disposable incomes, fostering a more favourable environment for auto sales. However, the industry must also navigate certain challenges.

“While the Budget provides a robust framework for growth, the effective implementation of these policies will be crucial. We are looking for continued support from the government in addressing specific issues faced by the auto retail sector, such as the transition to green mobility and need for policies that support sustainable practices,” said Manish Raj Singhania, President of the Federation Of Automobile Dealers As-

sociation. Electric vehicle prices are likely to decrease as the government announced the exemption of customs duties on minerals in the Budget.

CUSTOMS DUTY

“We commend the Budget for its announcement to fully exempt customs duties on 25 critical minerals, including lithium, essential for EV battery manufacturing. This move is expected to significantly reduce battery costs and bolster domestic manufacturing.

“By reducing import costs, this plan represents a significant step forward for our industry and economy as a whole. Our products in the micro-mobility segment will benefit greatly from these measures,” said Tushar Choudhary, Founder and CEO of Motovolt Mobility.