

# 'Tax benefits, 5% GST on EVs should continue for 10 years'

**FORWARD-LOOKING.** Long-term plans work only if tax remains as it is: Merc India MD

**S Ronendra Singh**  
Jaipur

Mercedes-Benz India on Tuesday said that the taxation on electric or environment-friendly vehicles should continue with lesser tariff, like the 5 per cent GST for the next eight-10 years, so that companies like them can do better planning for next generation mobility.

"When it comes to electrification, we are aware that the taxation is outside of the Budget scope, but a clear statement of intent that the 5 per cent GST and these taxes will continue for the next 8 to 10 years, so brands like us and others can all make long-term EV plans, because, one thing is clear, the customer is not ready to pay a significant premium yet for an EV," Santosh Iyer, Managing Director and Chief Executive Officer, Mercedes-Benz India, told *businessline*,

One of the reasons for our growth in the last couple of years has been the growth in road infrastructure

**SANTOSH IYER**  
MD and CEO, Mercedes-Benz India



when asked about expectations from the upcoming Union Budget.

He said big targets and long-term plans can only be achieved if the taxation continues as it is, so that companies can then be able to invest more and more towards electrification journey.

"One of the reasons for our growth in the last couple of years has been the growth in road infrastructure. A lot of intercity travel has increased, thanks to the fantastic roads that has come up and with that,

people want safer cars, more comfortable cars, more efficient cars and these are one of the major factors for growth for Mercedes-Benz India in the last couple of months and years," Iyer said.

#### EV PENETRATION

When asked about the EV penetration he said, Mercedes-Benz has already grown by more than double this year from last year and hope to continue the trend. The company will be sharing its quarterly sales numbers next week, which are

positive. "We have three electric cars in our portfolio - the EQC, EQS and the EQB - with which we achieved six per cent penetration and we will continue with fourth electric vehicle EQA (to be launched next week) to further penetrate the market," Iyer said, adding that Mercedes will be launching two more EVs later this year, out its total 12 new product launches planned this year.

The company had sold a total of 5,412 units in the first quarter this year, a growth of 15 per cent year-on-year from 4,697 units in the year-ago period (January-March 2023). In the fiscal year also, Mercedes-Benz India recorded best-ever fiscal achieving a growth of 10 per cent to 18,123 units, against 16,497 units in the last fiscal year.

The writer was in Jaipur at the invitation of Mercedes-Benz India