

Automakers pass on GST benefits with big price cuts

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Following the government's GST rate rationalisation, leading carmakers have announced price cuts across their portfolios, passing on the full benefit to consumers. Reductions range from ₹65,000 to ₹9,00,000, depending on the model.

On Monday, the GST Council slashed rates on cars up to 4 metres in length with engines up to 1,200 cc to 18 per cent from 28 per cent, while also removing the cess, making vehicles cheaper.

Mahindra & Mahindra said it will cut prices by ₹1,01,000-1,45,000 from September 6. Tata Motors reduced prices by ₹65,000-1,55,000, while Renault India announced cuts of up to ₹96,395. "The reduction in GST on passenger vehicles, effective September

22, is a progressive and timely decision that will make personal mobility more accessible for millions across India," said Shailesh Chandra, MD of Tata Motors Passenger Vehicles Ltd and Tata Passenger Electric Mobility Ltd.

Luxury carmaker BMW India also announced price reductions of ₹2,00,000-9,00,000, while Classic Legends cut motorcycle prices by ₹13,500-17,000.

DEALERS' CESS LOSS

But, dealers warn of a potential ₹2,500 crore cess loss if no relief is provided.

"We have urged the government to provide a transitional provision so that cess balances lying in the ledger as of September 21, can be transferred to the IGST/CGST credit ledger or refunded to avoid permanent loss," said Sachin Vasantrao Mahajan, Chairperson, FADA Maharashtra.