

Expect budget to improve consumer sentiment to boost auto sector: D C Sharma, Minda Corporation

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We are looking forward towards the Government to provide impetus to improve consumer sentiment and purchasing power which should in turn help the **auto industry**. Lowering of corporate taxes and tax incentives for environmental friendly vehicles are highly expected from this [budget](#).

In addition to these, incentives for using alternative fuel, introducing laws for mandatory replacement of old vehicles and also to provide incentives for fleet modernisation are being expected from the union budget. We are also cautiously monitoring the developments relating to the roll out of the Good & Services Tax and are optimistic of its positive

implications for the automobile industries in the mid to long term. Small Passenger Vehicles, Two Wheelers and LCVs are expected to be the key beneficiary of lower taxation.

Due to emerging technology trends and regulatory requirements on safety and emission, a lot of new opportunities are emerging for the auto-component sector. Weighted deduction for new investment towards capital and revenue R&D expenditure should be extended for another 3 years to support research and development initiatives.

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