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From 01st July 2017 up till 22nd September 2025, the automobile sector faced significantly high rates of GST including Compensation Cess. These included 29% (28% GST + 1% cess) for petrol, LPG, CNG or hybrid motor vehicles upto 1200cc and 4000mm in length and 31% (28% GST + 3% cess) for diesel motor vehicles upto 1500cc and 4000mm in length. For all other vehicles except the categories specified above and including luxury vehicles, the rate of tax used to go as high as 50% (28% GST + 22% cess). As a rate rationalization initiative by the Central Government, Notification No. 09/2025- Central Tax (Rate) dated 17th September 2025 was introduced. With effect from 22nd September 2025, the Notification stated that the rates of GST for petrol, CNG, LPG and hybrid motor vehicles below engine capacity of 1200cc and diesel motor vehicles with engine capacity equal to or less than 1500cc is 18% whereas for vehicles exceeding the aforementioned capacities, including luxury motor vehicles, the G.....