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Cinema, insurance sectors welcome the move, auto industry not so much

ENS ECONOMIC BUREAU @ New Delhi

STAKEHOLDERS of the cinema industry have welcomed the GST Council's decision to reduce GST levied on cinema tickets priced up to ₹100 from 18 per cent to 12 per cent and tickets priced above ₹100 to 18 per cent from 28 per cent.

"This will help the industry move forward with increased investments in both exhibition infrastructure and creative development, enabling even better cinema and greater screen density across the country," said Siddharth Roy Kapur, president, Producers Guild of India.

Multiplex Association of India president Deepak Asher said that not only would the decision make tickets more affordable, but the collection would also rise, which means more pay back to distributors and content creators.

The general insurance industry too welcomed the decision to cut GST rate on third party insurance premium of 'goods carrying vehicles'. "We welcome this move as it will be beneficial for the consumers by giving them relief in terms of reduction in GST rates, which will result in reduction in their premium outgo," said Sasikumar Adidamu, chief technical officer, Bajaj Allianz General Insurance. He said this will help the insurance industry improve the penetration of motor third party insurance.

Subrata Mondal, executive vice-president of IFFCO Tokio General Insurance, said, "The reduction has brought relief to vehicle owners at a time when the cost of insurance recently went up due to mandatory long-term third party cover."

However, mixed reactions came from the auto industry. The GST Council retained 13 items of automobile parts and eight items from the cement industry under the 28 per cent slab, along with luxury and 'sin' goods. "At a time when the industry is suffering from higher input costs, the GST Council should have given us some relief. Clubbing automobile parts with luxury and sin goods doesn't make any sense," said an executive of a leading auto firm.