

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
DEPARTMENT OF HEAVY INDUSTRY

**RAJYA SABHA**  
**UNSTARRED QUESTION No. 470**  
**TO BE ANSWERED ON 07.02.2019**

**Cut in import duty on electrical vehicles**

470. SHRI MOHD. ALI KHAN:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether Government is proposing a cut in import duty on the parts of electrical vehicles to boost its production;
- (b) if so, the details thereof; and
- (c) the steps taken to promote the production of electrical vehicles and its sale in the country?

**ANSWER**

**THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES**  
**(SHRI BABUL SUPRIYO)**

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(a) & (b): Department of Revenue, Ministry of Finance has informed that notification no. 03/2019-Customs dated 29.01.2019 was issued so as to provide NIL rates of Basic Custom Duty (BCD) on import of parts of Electrical Vehicles with effect from 30.01.2019, as per following details –

- (i) Nil Basic Customs Duty (BCD) has been prescribed on following parts and components for manufacture of Electric vehicles (EVs) :-
  - (a) Power control unit (inverter, AC/DC converter, condenser)
  - (b) Energy monitor
  - (c) Contactor
  - (d) Break System for recovery
  - (e) Electric compressor for manufacture of EVs
- (ii) Nil BCD has been prescribed on raw materials, inputs, sub-parts and parts used in the manufacture of Lithium ion cells.

(c): In order to promote manufacturing of electric and hybrid vehicle technology and to ensure sustainable growth of the same, Department of Heavy Industry formulated FAME India Scheme [Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India]. At present, the Phase-1 of FAME India Scheme is under implementation through four focus areas namely Demand Creation, Technology Platform, Pilot Project and Charging Infrastructure. The Phase-1 of FAME India Scheme was originally approved for a period of 2 years commencing from 1<sup>st</sup> April 2015, which has been extended from time to time thereafter and the last extension is allowed upto 31<sup>st</sup> March 2019.

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Under demand creation focus area of the scheme, the purchaser of electric/hybrid vehicle (xEVs) is given an upfront reduction in purchase price by the dealer at the time of purchase of xEV. So far, the Government has supported 2,65,335 xEVs through demand incentives under FAME India Scheme.

Specific projects under Pilot Projects, R&D / Technology Development and Public Charging Infrastructure components are also funded by the Government under this scheme.

Under new GST regime, the rates of GST on Electric Vehicles has been kept in the lower bracket of 12% (with no Cess) as against the 28% GST rate with Cess up to 22% for conventional vehicles.

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