

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7003
ANSWERED ON:18.05.2012
TAX INCENTIVES TO ENCOURAGE USE OF ELECTRIC VEHICLES
Rao Shri Kavuri Samba Siva;Vishwanath Shri Adagur H

Will the Minister of FINANCE be pleased to state:

- (a) whether the Ministry is mulling tax incentives to encourage use of electric vehicles in the country;
- (b) if so, the details thereof; and
- (c) the policy being prepared/under consideration of the Ministry in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): Yes, Madam.

(b): A concessional excise duty of 6% has been provided to electrically operated vehicles, including two and three wheeled electric motor vehicles. Specific parts for manufacture of electric vehicles such as battery pack, battery charges, AC and DC motor, AC or DC motor controller and spare batteries for Original equipment manufacturers have been fully exempted from basic customs duty with concessional countervailing duty of 6%.

(c): Government has approved the National Mission for Electric Mobility for spurring early adoption of electric and hybrid vehicles and their manufacture in the country.