

EV POLICY APPROVED RECOMMENDATIONS

2-3 Wheelers

- a. General Sales Tax (GST) at sales stage to fixed for 2-3 wheelers @ 1% for five years i.e. the policy period. Sales Tax at import stage to be waived off (0%) to avoid refunds.
- b. EV Specific Parts of 2-3 wheelers to be imported at 1 % Customs Duty (CD) for five years.
- c. Exemption of 2-3 wheelers from Registration and Annual Token Tax. Reduction of toll tax to 50% for EVs.
- d. Existing manufacturing regime for 2-3 wheelers with respect to non EV parts & components to remain intact to safeguard already achieved localization
- e. Benefits of EV policy to be extended to both; existing and new manufacturers.
- f. Import of new EVs (2-3 wheelers) in CBU condition at concessionary rate of duty (50 % of the prevailing rate of custom duty) to be linked with establishment of manufacturing facilities i.e. 10 units per variant with maximum of 200 units allowed to be imported under concessionary regime

Heavy Commercial Vehicles (HCVs) –Electric

- g. 1 % Customs Duty on import of CBUs (Electric Buses, Trucks & Prime Movers)
- h. Import of entire CKD allowed at 1 % Customs duty to the local manufacturers
- i. General Sales Tax @ 1 % at sales and waived off (0%) at import stage.
- j. Exemption of registration fee, annual renewal fee, permits and reduction of toll tax to 50 percent for HCVs.

General Proposals for 2-3 wheelers & HCVs

- a. Localization of parts and components to be reviewed after 2 years announcement of policy
- b. Duty and Tax Free import of plant and machinery to be allowed to both; existing and new entrants in both 2-3 wheelers & HCVs
- c. Five year income tax exemption for auto part manufacturers for setting up manufacturing facility for EV related equipment

- d. Inputs for EV vendors to be exempted from duties and taxes for 5 years (applies to in-house manufacturing by OEMs also).