

F.No. 12 (31)/2017-AEI  
Government of India  
Ministry of Heavy Industries & Public Enterprises  
Department of Heavy Industry  
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Dated the 6<sup>th</sup> March 2019

OFFICE MEMORANDUM

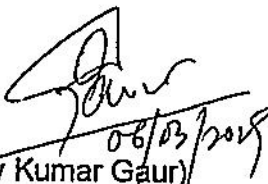
**Subject : Phased Manufacturing Programme (PMP) to promote indigenous manufacturing of Electric Vehicle, its assemblies/sub-assemblies and part/sub-parts/inputs of the sub-assemblies thereon.**

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The undersigned is directed to forward a copy of this Department's Notifications of even number dated 6<sup>th</sup> March 2019 detailing about the phased manufacturing programme to promote domestic manufacturing of electric vehicles, its assemblies / sub-assemblies and parts / subparts, for information.

2. This issues with approval of the competent authority.

Encl : As Above.

  
(Ajay Kumar Gaur)  
06/03/2019  
Under Secretary to Govt. of India  
Tel.No. 23061340

To

1. Prime Minister's Office, South Block, New Delhi.
2. CEO, NITI Aayog, Parliament Street, New Delhi.
3. Secretary, Department of Revenue, Ministry of Finance, North Block, New Delhi.
4. Secretary, Ministry of Road Transport & Highways, Transport Bhawan, New Delhi.
5. Secretary, Ministry of Law & Justice, Shastri Bhawan, New Delhi.
6. Secretary, Ministry of Electronics & Information Technology, New Delhi.
7. Secretary, Department for Promotion of Industry & Internal Trade, Udyog Bhawan, New Delhi.
8. Secretary, Department of Commerce, Udyog Bhawan, New Delhi.
9. Secretary, Department of Science & Technology, New Delhi.
10. Secretary, Ministry of New & Renewable Energy, New Delhi.

Copy to :-

1. Society of Indian Automobile Manufacturers (SIAM), New Delhi.
2. Society for Manufacturing of Electric Vehicles, New Delhi.
3. Automotive Component Manufacturers Association of India (ACMA), New Delhi

**F.No 12 (31)/2017-AEI  
GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
DEPARTMENT OF HEAVY INDUSTRY**

New Delhi, Dated 6<sup>th</sup> March 2019

**NOTIFICATION**

**SUBJECT: Phased Manufacturing Programme (PMP) to promote indigenous manufacturing of Electric Vehicle, its assemblies/sub-assemblies and parts/sub-parts / inputs of the sub-assemblies thereof.**

Government of India approved the National Mission on Electric Mobility in 2011 and subsequently National Electric Mobility Mission Plan 2020 was unveiled in 2013 by the then Prime Minister. As part of the mission, Department of Heavy Industry notified a scheme namely FAME-India in April 2015 with the aim to incentivise electric vehicle. To promote electric mobility, basic custom duty and GST were reduced and rationalized on electric vehicles, its assemblies/sub-assemblies, and parts/sub-parts / inputs of the sub-assemblies thereof, vide Notification No. 30/2017 –customs, dated 30<sup>th</sup> June 2017. This gave an impetus to the launch of electric vehicles in India.

2. To provide further impetus to electric mobility and promote indigenous development of electric vehicles, the Government has vide its recent Notification No. 03/2019 –customs, dated 29<sup>th</sup> January, 2019 further reduced and rationalized basic custom duty on electric vehicles, its assemblies/sub-assemblies, and parts/sub-parts / inputs of the sub-assemblies.

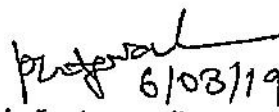
3. To promote domestic manufacturing of electric vehicles, a phased manufacturing roadmap has been prepared keeping in view the present status of manufacturing ecosystem in the country, wherein through graded duty structure indigenous manufacturing of electric vehicles, its assemblies/sub-assemblies, and parts/sub-parts / inputs of the sub-assemblies shall be promoted over a period of time. The intention is to substantially increase value addition and capacity building within the country.

3. The following Phased Manufacturing Programme (PMP) is notified with the objective of development of domestic manufacturing of electric vehicles, its assemblies/sub-assemblies, and parts/sub-parts, thereby increasing the domestic value addition and creating employment opportunities. The PMP shall enable the manufacturers in the sector to plan their investments

for establishment of a robust indigenous electric vehicles and related sub-assembly / components manufacturing base in India.

S.No.	Item Description		Current BCD w.e.f. 30/01/2019	Phased Manufacturing proposal	
				Proposed BCD	Proposed Date of PMP
1	CBU	Bus (HS 8702) & Trucks (HS 8704)	25%	50%	April 2020 onwards
2.	SKD	PV(HS 8703) & 3W (HS 8703/8704)	15%	30%	
		2W (HS 8711)		25%	
		Bus (HS 8702)		25%	
		Truck (HS 8704)		25%	
3.	CKD	Bus (HS 8702)	10%	15%	
		PV (HS 8703) 2W (HS 8711) 3W (HS 8703/8704) & Truck (HS 8704)		15%	
4.	Lithium Ion cells (HS 85076000) for use in the manufacture of Lithium Ion accumulator for EVs ( )		5%	10%	April 2021 onwards
5.	Battery packs (HS 8507) for use in the manufacture of EVs		5%	15%	
6.	Parts for use in the manufacture of EVs like <ul style="list-style-type: none"> <li>• AC or DC Charger</li> <li>• AC or DC Motor</li> <li>• AC or DC Motor Controller</li> <li>• Power Control Unit (Inverter, AC/DC Converter, Condenser)</li> <li>• Energy Monitor</li> <li>• Contactor</li> <li>• Brake System for recovering</li> <li>• Electric Compressor</li> </ul>		0%	15%	April 2021 onwards

This issues in consultation with of Department of Revenue; Ministry of Finance vide its letter No. 354/47/2018-TRU dated 13<sup>th</sup> Feb 2019 and with the approval Minister (HI&PE)

  
 6/03/19  
 (Pravin L. Agrawal)  
 Joint Secretary