

EV industry seeks GST cut on batteries, infra status for charging stations in Budget

G Balachandar
Chennai

The electric vehicle (EV) industry is urging the government to reduce the GST on EV batteries from the current 18 per cent to 5 per cent, aligning it with the GST rate applied to electric vehicles in the upcoming Budget.

The industry expects this change to make EVs affordable and encourage broader adoption. The industry is

also seeking infrastructure status for EV charging stations to reduce borrowing costs for investors and accelerate the development of a robust charging network.

Among its key budgetary expectations, the industry highlights that the disparity between GST rates on EVs and batteries significantly impacts cost structures.

“Bringing GST on EV batteries in line with the 5 per cent rate applied to electric vehicles is a crucial step toward reducing costs and

making clean mobility more affordable for the masses.

A uniform GST rate can enable manufacturers to pass on cost benefits to consumers, accelerating India’s journey toward a greener future,” said Kshiteej Mishra, Practice Leader, Mobility, Energy and Transportation at Praxis Global Alliance.

STREAMLINING PRICING

Harmonising the GST at 5 per cent for both EVs and batteries is projected to lower overall EV costs by 5-

10 per cent, streamlining pricing across the value chain and making EVs more accessible.

Abhijeet Sinha, Project Director, NHEV (National Highways for Electric Vehicles), stated that the industry seeks a budget focused on simplifying tax structures, addressing PLI disbursement delays and easing value addition norms to boost domestic component manufacturing. “A uniform 5 per cent GST on all EV components and char-

ging infrastructure is essential to lowering costs and driving growth,” he added.

BOOSTING ADOPTION

The Centre’s proposed budget of ₹10,900 crore aims to boost EV adoption by developing a robust charging infrastructure and supporting the EV manufacturing ecosystem.

Of this allocated subsidy, ₹2,000 crore has been earmarked for installing 22,100 fast chargers for electric 4-wheelers, 1,800 for e-buses,

and 48,400 for electric 2-wheelers and 3-wheelers.

“Granting infrastructure status to charging stations would lower borrowing costs for investors and encourage public-private partnerships, speeding up network deployment and improving service quality.

These measures are seen as critical to achieving 30 per cent EV penetration by 2030, promoting clean mobility, and reducing reliance on fossil fuels,” Mishra noted.