

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-258
ANSWERED ON – 22.07.2025

GST ON RENEWABLE ENERGY DEVICES

258. SHRI YERRAM VENKATA SUBBA REDDY:

Will the Minister of Finance be pleased to state:

- (a) Whether it is a fact that renewable energy devices such as solar panels, biogas plants and windmill components attract only 5 per cent GST; and
- (b) whether it is also a fact that Electric Vehicles also attract 5 per cent GST and 15 per cent discount on third-party insurance premium?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) GST rates and exemptions are prescribed on the recommendations of the GST Council which is a constitutional body consisting of representatives from both Union and State/UT Governments. The GST rate on specified renewable energy devices such as solar panels, biogas plants and windmill components is 12 %.

(b) As mentioned in reply to Part (a), GST rates and exemptions are prescribed on the recommendations of the GST Council. The GST rate on electric vehicles is 5%. As per notification dated 25.05.2022, Ministry of Road Transport and Highways (MoRTH) has notified Motor Vehicles (Third Party Insurance Base Premium and Liability) Rules, 2022 wherein the base premium for third party Insurance for unlimited liability for the various classes of vehicles has been specified. Further, the absolute Motor Third Party premium amount as notified for the electric vehicles are 15% lower compared to the corresponding Conventional fuel-based motor vehicle models.
