

No. RT-11036/167/2021-MVL
Government of India
Ministry of Road Transport and Highways
(MVL Section)
Transport Bhawan, 1, Parliament Street, New Delhi-110001

Dated 28th October, 2023

To

- (i) The Principal Secretaries / The Secretaries, Department of Transport,
(ii) The Transport Commissioners Of all States/UTs.

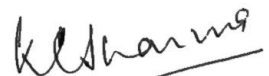
Sub: Exemption or reduction of road tax on Flexi Fuel Vehicles (FFVs)-reg

Madam/Sir,

As you are aware, to meet the climate change goals it is important to move towards decarbonising the transport sector by encouraging the use of alternative fuels and reducing dependence on fossil fuels. India has added incentive to reduce dependence on imports thereby strengthening the economy. There are additional benefits in the form of reduced emission and higher income to farmers. Flex fuel vehicle includes gasoline vehicles compatible to run on mixture of gasoline and ethanol from 20% to 85% or mixture of gasoline and ethanol from 20% to 100%. The vehicle is capable of automatically adjusting for any percentage of blend of ethanol and gasoline.

2. In order to accelerate the manufacture of Flex Fuel vehicles, the Production Linked Incentive (PLI) scheme has also included for automobile components of flex fuel vehicles.
3. Many States and Union Territories in India have incentivised the consumer to procure electric vehicles by reducing road tax on Electric vehicles and thereby reducing the initial cost of the vehicle. Committee of Secretaries under the Chairmanship of Cabinet Secretary, has made a recommendation to exempt/ reduce Road Tax on Flex fuel vehicles.
4. In view of the above, it is requested that fiscal incentives in form of exemption or reduction of road tax on Flexi Fuel Vehicles (FFVs) may be considered by the State Governments and Union Territories so that the initial cost of the FFVs may be reduced for the users.
5. This issues with the approval of Competent Authority.

Yours faithfully,



(K. C. Sharma)
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