

Auto Cos in EV Shift, Go Slow On Old Engine Models

Carmakers reduce ICE models from 168 in 2018-19 to 136 by April-December FY23

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Mumbai: Amid growing popularity of electric vehicles among Indian buyers and the government's push towards reduced vehicular emissions, automakers are cutting down on the number of car and SUV models that run on conventional fuels.

The number of petrol and diesel-powered models sold in the Indian market has reduced 20% in about four years — to 136 as of December 2022 from 168 in 2018-19. The number of EV models rose to 18 from three in same period, while that of CNG-powered ones increased to 19 from 13.

The hatchback and sedan segments have seen the steepest fall in the number of models strapped with an internal combustion (ICE) engine. While industry leader Maruti still has a similar number of models as in 2018-19, Mahindra & Mahindra, Tata Motors and the local units of Toyota Motor and Honda Motor have seen a reduction in their ICE models.

A number of models had also become obsolete when India transitioned to BS-VI emission standards in 2020. Product line-up changes are a recurring feature, necessitated by changing consu-

Changing Priorities

SALES VOLUMES (units)



mer trends and regulations, lifecycle of products and introduction of new technologies, say car manufacturers. The number of hatchback models on offer in India has reduced to 16 from 26 four years ago. In the sedan segment, the number has fallen to 15 from 29. The segment that saw growth in ICE models in this period was SUVs — to 43 from 41.

"We have seen the SUV segment growing in volumes and market share... whereas in passenger cars, these model numbers have come down," said Shashank Srivastava, senior executive director at Maruti

Suzuki.

Maruti Suzuki still doesn't have a fully electric vehicle in its portfolio, though it offers hybrid technology and CNG options. With a target to take its market share in the Indian passenger vehicle market to over 50%, Suzuki Motor unit is adding two more models to its SUV portfolio, which currently has the Brezza & Grand Vitara — both offering hybrid options.

Mahindra is set to soon launch an electric SUV, the XUV 400. The com-

pany is also seeing increasing traction for SUVs, where it has made several launches in the recent past.

In all matured markets, SUVs and lifestyle pickups contribute more than 50% to the passenger vehicle volumes. India in the last 4-5 years has been seeing this shift with SUVs, said Veejay Nakra, president of the automotive division at Mahindra.

Honda Cars India said it was in the process of restructuring its portfolio and would launch a new SUV this year. "We are also focusing on the introduction of electrification technologies in our line-up and as a first step launched the Honda City e:HEV, which is a strong hybrid electric model," said a spokesperson.

New emission regulations that will take effect on April 1, like stiff penalties on manufacturers if their vehicles do not meet the target on CO2 emission, are likely to cause a further reduction in ICE models and boost the introduction of more EVs. "Real driving emission regulations (phase 2) that take into effect in April 2023, will further impact OEMs' (automakers') model line-up and powertrain offerings," said Ravi Bhatia, president of consultancy firm Jato Dynamics.