

Need some clarity on policy before making fresh investments: Skoda

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SKODA AUTO'S FUTURE investments and course of action in India will be determined by the decisions taken by the government on vehicle technology, allowing it to carry out efficient product planning.

The Czech car brand is finalising the next package of investments for its operations in the country, which will not just take care of its planned foray into electric vehicles but also power its ambitions in the internal combustion engine space.

Talking to *FE*, Petr Janeba, brand director at Skoda Auto India, said: "The government in India is pushing for 30% electric vehicle penetration by 2030. However, the regulations after 2027 are not so clear yet. Somebody (automotive companies) is going for hybrids, some-one else is going for only BEVs (battery electric vehicles)."

Led by Maruti Suzuki, a few automakers are lobbying for rationalisation in the goods and services tax (GST) rates slapped on hybrid cars. Maruti Suzuki and Toyota have

FOR A SMOOTH RIDE

■ Hybrid cars are currently taxed on par with other non-electric vehicles

■ A section of auto industry is seeking lower tax on hybrids

■ DPIIT has written to the heavy industries ministry, proposing a cut

■ Skoda intends to launch a 'mass market' BEV (battery electric vehicle) in India



PETR JANEBA

brand director, Skoda Auto India

WE CAN BRING HYBRIDS EVEN IF IT'S NOT OUR PREFERRED OPTION. OUR PREFERRED CHOICE WILL BE FULL BEV



two hybrid models each, while Honda sells one hybrid model. Luxury carmakers also offer hybrids.

Currently, hybrid cars are taxed on a par with other non-electric vehicles, though a certain section of the industry believes that since hybrid cars deliver better fuel efficiency, they should be taxed lower.

Other companies, including Tata Motors, have opposed this proposition of a tax cut on hybrids, saying that hybrids are only a stop-

gap solution as the ultimate aim is to become fully electric.

While the finance ministry is yet to take a call on this, the Department for Promotion of Industry and Internal Trade (DPIIT) had written to the ministry of heavy industries, proposing a cut earlier this year. Union minister Nitin Gadkari is also in favour of a tax cut on hybrids.

As both hybrid and BEV are capital-intensive technologies,

the uncertainties for the immediate future are becoming a cause of concern for the automotive companies looking for a stability in policy.

"We will adjust according to the directions expected from the government for the period beyond 2025-27. We have several alternatives to comply. Our investments can be finalised only after we have the input from the government. We can bring hybrids even if it is not our preferred option. Our preferred option will be full BEV," Janeba added.

Skoda Auto parent Volkswagen had announced a three-year ₹1-billion investment programme starting 2019 to strengthen its presence in the Indian market under the title 'India 2.0'. This programme saw the launch of four locally developed and manufactured cars sold under Skoda and Volkswagen brands.

The group's next phase involves the launch of a compact sports utility vehicle (SUV) priced below ₹10 lakh, which will compete with Tata Nexon, Hyundai Venue and Maruti Brezza. Skoda also intends to launch a 'mass market' BEV in India.