

Honda 'elevates' India commitment



Honda Cars India President and CEO Takuya Tsumura at the launch of midsize SUV Elevate in New Delhi on Tuesday. The company is planning to roll out its first India-focused EV in three years

PHOTO: PTI

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Honda Cars is planning to roll out its first India-focused electric vehicle (EV) in the next three years, said its President and Chief Executive Officer Takuya Tsumura, adding that the Japanese carmaker would be launching a total of five premium sport utility vehicles (SUVs) in India by 2030.

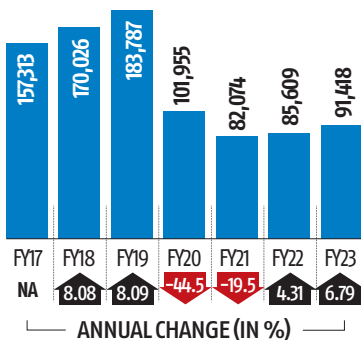
The first of the five SUVs called the Elevate, powered by an internal combustion engine (ICE), was unveiled in Delhi on Tuesday. While the company did not declare its price, it is expected to be between ₹12 lakh and ₹17 lakh (ex-showroom). The Elevate is Honda's take on the midsize SUV segment that includes rivals like the Creta, the Seltos and the Grand Vitara, among others. The second SUV would be an EV. It would be based on the Elevate, Tsumura said in an interview with *Business Standard*.

The company did not reveal whether the other three SUVs would be ICE-based or electric. Honda Cars' annual domestic sales increased by about 7 per cent to 91,418 in 2022-23 (FY23). This was significantly lower than the Indian car industry's growth that stood at 26.7 per cent in FY23, according to Siam. Honda Cars India sells two cars — the Amaze and the City. They are both sedans. The company discontinued the WRV sedan in FY23. "We are now participating in only 10 per cent, which is the share of sedans in the Indian car market. The SUV segment is now 40 per cent of the market and it continues to grow. With the Elevate, we are re-entering the SUV segment," said Tsumura.

After launching the Elevate, the company expects its domestic sales to

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DOMESTIC UNIT SALES



Source: Siam

pick up. Tsumura said the company expects unit sales growth of about 35 per cent in the second half (October-March period) of 2023-24. On EVs, the taxes are quite low right now compared to hybrids or petrol cars, he pointed out. "I am not sure how long this will continue. We need to observe the situation," he added. The central government charges just 5 per cent goods and services tax on EVs, compared to 43 per cent on hybrids and 45 per cent on petrol cars. Electric cars comprise about 1.3 per cent of the total car market in India. Tsumura said that in the SUV segment, Honda Cars' competitors have introduced many models.

"I think competition will be tough in this segment. However, I believe we are launching one of the best models (Elevate) in this segment," he added. He said that the product quality, design, drivability, safety features, etc of the Elevate give the company the confidence to perform well in the SUV segment.