

'Hybrids at present emit less carbon than battery-powered electric cars'

Against the backdrop of the ministry of heavy industries (MHI) setting up a task force to design a road map for the country's electric vehicles and amid states such as Uttar Pradesh exempting registration fee for hybrid cars, **R C BHARGAVA**, chairman of Maruti Suzuki, in a telephonic interview with **Surajeet Das Gupta**, talks on the battle between electric and other alternative technologies to reduce carbon emissions. Edited excerpts:

Do you think it is time for the industry and the government to together relook at the EV policy?

Who is the industry? It is made of companies who are divided. Tatas and others oppose hybrids because they believe it will cut into their electric car sales, but in reality it will only complement the move away from ICE cars. So it is the government which has to take a decision based on what is good for the country. And the government is already taking a relook. We see a similar situation in scooters. Bajaj has launched a CNG motorcycle and wants a reduction in GST but electric two-wheeler players may oppose it.

But don't you think that by pushing

battery powered electric vehicles, we would make a big impact on reducing carbon emissions?

Based on the most optimistic projections, pure play electric vehicle penetration should hit 40 per cent by 2034. Even based on the current policy, 60 per cent of the cars will still be ICE powered. What it means is that we will have more ICE cars being sold in 2034 than we have today and carbon emissions will actually go up. Until we encourage other non-ICE technologies so that petrol and diesel cars become negligible, you cannot

solely rely on battery-powered electric cars.

So how do you incentivise technologies other than electric and ensure that subsidies are fairly distributed across all of them?

It's simple — the two main objectives of the government are to reduce the fuel import bill and to reduce carbon emissions as we have committed to zero emissions by 2070. Incentives should be based on how each of the technologies contribute to achieve these twin objectives —

whether it is EV, hybrid, CNG or bio gas. It's a fair and transparent formula. You cannot give incentives to only one technology — it is not working based on the low sales penetration of electric cars. The global trend is towards multiple use of technology to reach the carbon emission objectives.

But isn't pure play electric car far better in reducing emissions than a hybrid which continues to use petrol, though in much less quantity?

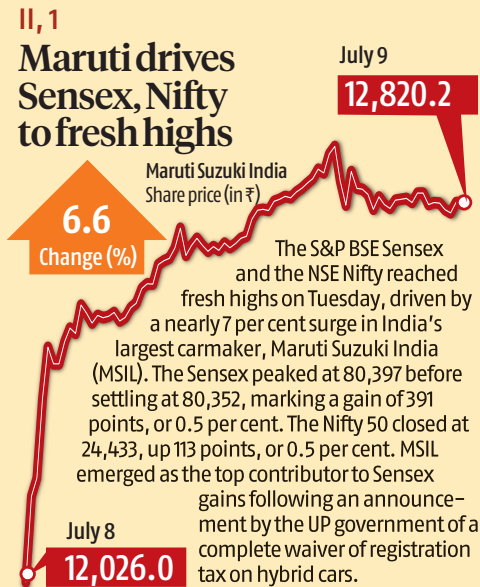
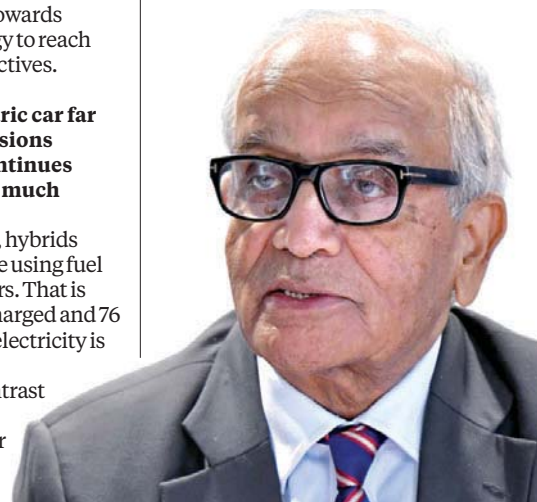
The fact is that at present, hybrids emit lesser carbon despite using fuel than pure play electric cars. That is because EVs have to be charged and 76 per cent of the country's electricity is still coal-based and not renewables. This is in contrast to Europe where the electricity generated is far cleaner with 30 per cent coming from coal-based

power. In India, the share of renewables in the last decade has gone up by 4-5 percentage points only.

Turn to Page 6 ▶



R C BHARGAVA
Chairman,
Maruti Suzuki



When e-cars volumes go up, it will be challenging to offer subsidies: Bhargava



So what is the big challenge that you face in pushing hybrid sales?

It is taxation, which is amongst the highest in the world. In Europe, the tax differential (VAT and carbon tax) between an ICE and a hybrid vehicle is only 1 per cent as VAT is the same. It is similar in Japan too. But in India, the differential is a staggering 38 per cent between the two--the total tax

burden is 43 per cent on hybrids compared to 5 per cent on electric.

Do you see the government policy to push subsidies working?

It was always very clear that when volumes of electric cars go up, it will be challenging for the government to offer subsidies. We are not like China, which put in a large amount

(\$ 230 billion) to support the industry. Even China has brought it down and so have other countries in Europe. Even in India, we see that the subsidies are being brought down on a regular basis. The fact is that even with subsidies, penetration of electric cars is just at 2 per cent. And the recent withdrawal of subsidies on EVs has led to the fall in sales.