

# It is not about EV vs hybrid but reducing emission: Bhargava

## Maruti Suzuki chairman said electrification may not lead to reduced carbon emission

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New Delhi, 16 February

Maruti Suzuki Chairman RC Bhargava has said that reducing carbon emissions does not require making a choice between hybrid and electric cars, and that both can play key and complementary roles if the government wants to achieve its aggressive emission target.

Responding to the fact that the sales numbers of hybrid cars have been higher than electric cars in the last quarter of 2024, Bhargava pointed out: "It has never been about electric versus hybrid. Both have a clear role to play. By 2030 we expect electric car penetration to be around 20 per cent. But 80 per cent of the cars will still be internal combustion engine (ICE) vehicles. The government should make the effort to convert a large share of these ICE cars to hybrid so that the overall carbon emissions come down. But the government has never promoted hybrid cars in the country."

Bhargava added that the policy has been to tax hybrid cars like ICE cars by imposing a 43 per cent GST on them, instead of the 5 per cent GST levied on electric vehicles. Hybrid cars are also not eligible for the FAME-II subsidy. "The price of a hybrid car becomes higher because it is taxed like an ICE model and not like an electric vehicle. Until the taxes come down, it will be difficult to project what share of ICE cars could shift to hybrid by 2030."

According to estimates, the average price of an electric vehicle is ₹15.4 lakh while it is ₹25 lakh for a hybrid vehicle.

Moreover, Bhargava pointed out that electrification does not necessarily lead to the reduction of carbon emissions since the charging stations are mostly getting electricity from coal-based power stations.

Asked about Maruti Suzuki's plans in the hybrid segment, Bhargava said that the company currently has two models in hybrid



**THE PRICE OF HYBRID CAR BECOMES HIGHER BECAUSE IT IS TAXED LIKE ICE MODEL AND NOT LIKE AN ELECTRIC VEHICLE**



**R C BHARGAVA**

Chairman, Maruti Suzuki

— the Grand Vitara and the Invicto. However, there are plans to gradually increase its hybrid portfolio.

Hybrid passenger vehicle sales saw a bump-up in Q4 2023, hitting 23,796 cars, which was more than the 20,490 electric vehicles sold in the same period.

This is despite the fact that there are only five models of hybrid cars in the market as opposed to over 16-18 EV models. Hybrids accounted for a 2.3 per cent share of the total vehicle sales while the share of EVs stood at 2.0 per cent.

Many countries have been pushing for the adoption of hybrid cars. In Japan 55 per cent of domestic passenger car sales were hybrids in CY23.

In India, too, the government is attempting to take a serious look at bolstering hybrid sales as an interim phase for reducing carbon emissions. The draft FAME 2 extension scheme has earmarked funds for hybrids as well. And talks have been going on about lowering the GST burden on hybrids.