

Won't be difficult for firms to fully give up diesel vehicles: Bhargava

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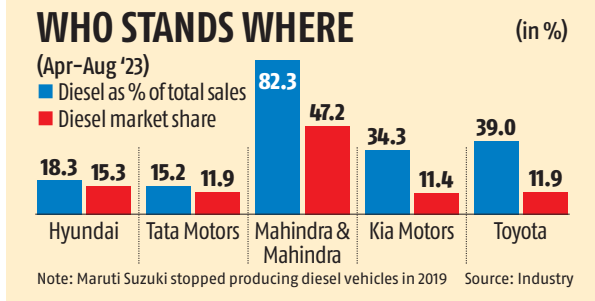
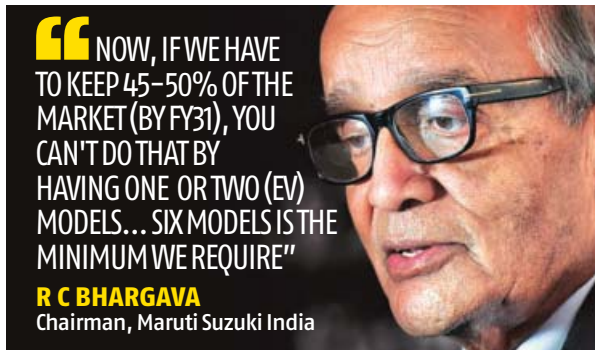
Automobile companies in India will not find it difficult to completely stop producing diesel-run vehicles as most have alternative technologies available with them, Maruti Suzuki India Chairman R C Bhargava said on Tuesday.

On September 12, Road Transport and Highways Minister Nitin Gadkari said the automobile industry must reduce the production of high carbon-emitting diesel vehicles, or else the government may consider imposing an additional 10 per cent goods and services tax (GST).

As major auto stocks tumbled in reaction, he clarified that no such proposal was under the government's consideration.

Mahindra & Mahindra, Hyundai, Tata Motors, Toyota Kirloskar and Kia are the major players in the diesel car market. Maruti stopped producing diesel-run cars in 2019-20.

"The government is not



saying don't manufacture diesel cars. They are saying that we have to achieve our carbon neutrality norms. The Cafe (Corporate Average Fuel Efficiency/Economy) norms

are being enforced in the country," Bhargava said at a convention organised by the All India Management Association (Aima).

Under the Cafe norms, the

government has imposed restrictions on the carbon dioxide emissions of an entire car company's fleet.

According to Bhargava, the prices of diesel cars will become "exorbitantly high" as these norms continue to be implemented in phases.

"The reason Maruti and some other companies have given up on diesel production is because of the cost factor. If you want to comply with the norms regarding carbon neutrality, you will not be able to sell cars at a price which anybody will buy. Companies are changing. Most companies have got alternatives available with them. It is not going to be difficult for companies to give up diesel completely," he explained.

He said the company plans to launch six EVs by 2030-31, considering the anticipated annual sales of about 6.5-7 million units in the Indian car market by that time.

In 2022-23, Indian car manufacturers sold 3.89 million units domestically.