

● BATTERIES IN ELECTRIC CARS ARE CHARGED USING COAL-BASED ELECTRICITY

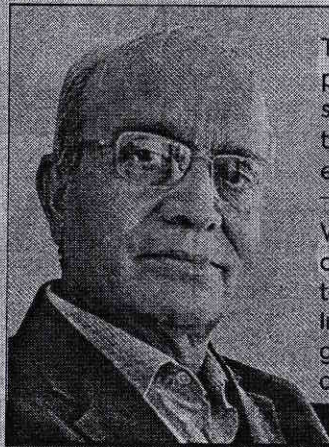
Hybrid vehicles cleaner than EVs: Bhargava

For carbon neutrality, coal-based power share needs to be below 50%

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INDIA CANNOT ACHIEVE carbon neutrality by relying solely on electric vehicles (EVs) as 75% electricity in the country continues to be generated through coal, Maruti Suzuki India chairman RC Bhargava told *FE* on Wednesday. He said that carbon footprint of hybrid vehicles is lower as batteries in EVs are charged using electricity generated through coal. However, in hybrid vehicles, the battery gets charged by petrol, which is cleaner than coal.

"For achieving carbon neutrality, the share of coal-based electricity needs to go below the 50% mark. So, until then, the government needs to develop and promote alternative



The government needs to promote alternative sources of energy, rather than solely depending on electric vehicles.

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RC BHARGAVA, chairman, Maruti Suzuki India

sources of energy also, like hybrid, ethanol and biogas, rather than solely depending on EVs," Bhargava said.

These comments assume significance because while Tata Motors, MG Motor, Mahindra, Kia and Hyundai have taken the lead in EVs, Maruti

Suzuki and Toyota Kirloskar Motor are currently focusing on hybrid vehicles. These two automakers sell six hybrid models.

In fact, both M&M and Tata Motors have ruled out hybrid models and will continue their focus on EVs.

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Tata Motors has achieved an EV penetration of 13-15% in its portfolio and offers three of its models with battery electric options. The electric variant of the Tiago has displaced the petrol peer to emerge the most favoured choice of the consumers.

While a 5% GST is levied on EVs with no additional compensation cess, hybrid vehicles attract 28% with a compensation cess between zero and 15%, taking the total tax payable to 43%.

Bhargava said that Maruti Suzuki will launch its first EV only in FY25 and aims to have six EV models by FY31 across segments. He said that the carmaker had built an electric version of the Wagon R hatchback, but its cost was too high. Now it would come to the market with bigger EVs. "But even with six EV models, the share of electric cars in Maruti Suzuki's sales would be only 15-20%," he said, pointing out that electric cars' share in the market is only 2% at present.

On the company's decision to stop the production and sale of diesel cars, he said while the government is not preventing anyone from making diesel cars, the compliance with CAFE (corporate average fuel economy) standards will make their cost exorbitant. The CAFE norms check the total carbon dioxide emissions pro-

duced by a carmaker's entire fleet.

Bhargava said that the small car market is not growing anymore, but the overall growth is promising. "The mass market has shifted from small hatchbacks to sports utility vehicles," he said. "There is no other market in the world with the same growth potential, and the US, Japan and China have become saturated and are relying on replacement sales," he said.

Bhargava said that there are no production constraints because of the semiconductor shortage, but regretted that electronics for Indian cars have to be imported. "India needs to get more component makers to make in India for India, and for global supply chains," he said, highlighting the lack of local electronics suppliers as the only weakness in India's automotive components supply chain.

Regarding new safety regulations such as Bharat NCAP, Bhargava said that as long as it is easy to get a driving licence without tests, it will be difficult to bring down accidents and deaths on Indian roads.