

Electric PVs take a decisive turn towards mass market

SHALLY SETH MOHILE

Mumbai, 28 September

Twenty-one years after the launch of the two-seater Reva, India gets its first modern, fully-equipped electric passenger vehicle (ePV) priced below the critical threshold of ₹10 lakh. Tata Passenger Electric Mobility, which has set the pace in this segment, on Wednesday launched the e-Tiago, whose pricing begins at ₹8.49 lakh, ex-showroom.

More than two-thirds of India's passenger vehicles market is below the price point of ₹10 lakh and the launch of ePVs below it could go a long way towards attaining the government's target of having electric vehicles comprise 30 per cent of the PV market by 2030. At present, just

about 1 per cent of India's PV market of 3 million a year is electric.

This is reminiscent of what happened with sports utility vehicles (SUVs), which have been powering the sales in the PV market of late.

Turn to Page 6 ▶

Page 3

TaMo lending arms set to discuss merger

As part of the Tata group's exercise to bring synergies across various group companies, the boards of Tata Motors Finance Solutions and Tata Motors Finance are meeting separately on October 3 to consider a plan to merge their lending operations.



Tata Motors MD Shailesh Chandra unveils the e-Tiago on Wednesday

▶ FROM PAGE 1

ePVs...

They gathered pace when two sophisticated models, Renault's Duster and Ford's EcoSport, came out with price tags comfortably below ₹10 lakh.

The e-Tiago also narrows the price gap with its traditional counterparts that use the internal combustion engine (ICE). The on-road price of the comparable Tiago petrol automatic is in the range of ₹8.5-9 lakh. The company, however, says this is an introductory price for the first 10,000 customers.

"Since this is a Generation 1 product, there is a huge benefit of economies of scale that we are getting by driving commonality between ICE and EVs," Shailesh Chandra, Managing Director, TP&M and Tata Motors, told Business Standard.

India's first electric car is acknowledged to be the Lovebird, from Eddy Current Controls (India) in 1993. But it did not go far. The Reva, coming in 2001, looked like the first real shot at electric cars. However, by the time Mahindra & Mahindra

acquired majority equity in it in 2010, it had sold no more than a handful.

The ePV segment began to get real action and interest only when the likes of Hyundai Motor India, its sister company Kia Motor, MG Motor India, and, of course, Tata got into the game with modern vehicles that are desirable besides offering the old electric appeal of a low cost of running and maintenance.

This is a segment that is just beginning to get off the blocks, and much can be expected in the next two to three years.

Maruti Suzuki tested an electric version of the WagonR two years ago, but abandoned the project as it didn't meet the company's cost and performance parameters. The company recently said it would launch a mass market ePV in 2025.

Other mass market ePVs — from Hyundai and Kia — will come some time after 2024. M&M will debut in the segment in January with the XUV400, the electrified version of the XUV300, which is expected to compete with the e-Nexon.

The higher prices of electric vehicles, significantly higher than even their ICE

brothers in cases where the same model comes in both engine technologies, has been the biggest hindrance to their proliferation. This despite the fact that India levies zero road tax on electric vehicles and only 5 per cent GST. The GST on ICE models is 28 per cent.

The e-Tiago is a step towards addressing that.

FinMin...

"The RBI is not aiming at fixing the exchange rate; the government doesn't believe in it. The Indian rupee and its exchange rate are also left to the market to decide," she said.

The rupee breached the crucial 81-mark versus the dollar intraday last Friday as the greenback climbed to a 20-year high, backed by the Federal Reserve's 75-basis point rate hike. So far this calendar year, the rupee has declined by 8.2 per cent against the dollar, but still outperformed several EM currencies.

"It (rupee) should fall, otherwise the trade-rated exchange rate will become uncompetitive," the official said.

The official added that