

Disappointing GST rate won't stop our drive for hybrids: Volvo Cars

New Delhi: Swedish auto manufacturer Volvo Cars on Wednesday said it will continue to push for hybrid and electric vehicles in India despite disappointing high tax rate on such vehicles under GST. The company -- which had last week announced that from 2019 all its new models will have an electric motor, putting an end to cars that only have an internal combustion engine (ICE)-- also said it would try to bring such new vehicles to India as soon as possible after global launches.

“Yes, I am bit disappointed with the high GST rate on hybrid vehicles as it is not in line with the government's push for environment friendly vehicles,” Volvo Auto India managing director Tom von Bonsdorff said. Under the new tax regime, hybrid vehicles are on the same slab as luxury cars at 28% GST plus 15% cess at present. At 43%, total tax incidence on these vehicles is higher from the previous effective tax rate of 30.3%.

“This does not change our commitment to eco-friendly vehicles and to develop hybrid and electric vehicles. We, however, hope that the government will have a rethink on the tax rates on hybrids in order make them more affordable,” he said.

When asked if Volvo Cars will launch hybrid or electric vehicles in India, in line with the global announ-

cement from 2019, Bonsdorff said, “We will try to bring them as soon as possible in India after the global launch”. Volvo Cars had announced that it would launch five fully electric cars between 2019 and 2021, three of which will be Volvo models and two high performance electrified cars from the stable of its performance car arm, Polestar.

All these five cars will be supplemented by a range of petrol and diesel plug in hybrid and mild hybrid 48 volt options on all models, the company had stated. Expressing optimism on electric cars, Bonsdorff said: “The government's plans to have an all-electric car fleet by 2030 goes in hand with Volvo Cars' global vision. We are looking forward to that direction”. The company already sells its plug-in hybrid SUV XC90 Excellence in India priced at Rs 1.28 crore. Volvo Auto India on Wednesday launched an all-new version of its crossover model V90 Cross Country priced at Rs 60 lakh (ex-showroom). The model is powered by a twin-turbo diesel engine that delivers power of 235 hp coupled with an 8-Speed gearbox with paddle shifts. It is also equipped with radar-based safety features such as lane keeping-aid, collision warning with full auto-braking for pedestrians, cyclists, other vehicles and large animals. AGENCIES