

Audi explores assembly of EVs, seeks policy certainty

TNN | Oct 27, 2021, 06.28 AM IST



MUMBAI: German luxury maker Audi has started exploratory work to assemble electric cars in India but said that high tax rates and policy uncertainty remain the biggest impediments in attracting immediate investments into the country.

"We are bullish on the Indian car market, and also electric vehicles... But we need stability in policy. If policy is not stable, it is impossible to plan, and justify investment needs when talking to our headquarters in Germany," Audi India head Balbir Singh Dhillon told TOI.

In its new avatar in India post-April 2020, Audi has dumped diesel powertrains and has now switched over to the relatively cleaner petrol, while outlining an aggressive strategy on the electrics front. It has launched a series of green cars in India under the eTron badging, but

these are all imported and cost upwards of Rs 1 crore.

Dhillon said local assembly is being considered as it can help beat the high import duty, something which has been flagged by rival Mercedes-Benz and new entrant Tesla. "We are evaluating, though it may take time. Investments can be made as part of larger VW Group."

The Audi India boss said that Indian buyers are already "burdened" by a plethora of taxes, and the high sticker prices of electrics and other luxury vehicles are making the market underperform.

"The luxury segment in India is about 1-1.5% of the broader passenger vehicles market. This is very low and needs to grow. We need some support from policy-makers." He said that while customers of luxury car buyers are generally in the highest income tax bracket of 30%, they face further taxes when buying vehicles.