

In green drive, UP frees hybrid vehicles from registration fee

POWERING UP. Buyers of Maruti, Toyota, Honda vehicles can get benefit of up to ₹3.50 lakh

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To promote use of environment-friendly vehicles in the State, the Uttar Pradesh government has announced a complete waiver of registration tax on strong hybrid cars. The move is likely to benefit companies like Maruti Suzuki India, Honda Cars India and Toyota Kirloskar Motor. Customers can gain up to ₹3.50 lakh.

Maruti Suzuki's Grand Vitara and Invicto, Toyota's Hyryder and Innova Hycross, and Honda City e:HEV, which are all strong hybrid vehicles, will be covered by this offer.

Sources close to the development told *businessline* that the UP government, through a July circular, implemented the policy to give "100 per cent waiver on registration fee of strong hybrid electric vehicles and plug-in hybrid electric vehicles" with immediate effect.

LOW REVENUE IMPACT

The UP government levies 8 per cent road tax on vehicles costing less than ₹10 lakh, and



TOP SELLER. The State is one of the largest markets for PVs with retail sales of 2,36,097 units in the first half of this year

10 per cent on vehicles costing more than ₹10 lakh (ex-showroom). As of now, the impact of no registration fee on the State exchequer is low because sales of hybrid vehicles are low. But even if the State sells around a thousand such vehicles a month, it would cost it ₹20 crore (₹2 lakh foregone on average as registration tax).

According to the Federation of Automobile Dealers Associations (FADA), UP is one of the largest markets for passenger vehicles in the country with retail sales of 2,36,097 units in the first half (H1) of this year — a jump of 13.46 per cent compared with 2,08,092 units sold in January-June 2023. In the second quarter, also,

1,09,712 units were sold in the State — a growth of 10.26 per cent against 99,501 units in Q2 last year.

TO PUSH SALES

"This will help the sales of the strong hybrid vehicles in the State although the number of buyers is small right now. Most buyers of such vehicles already own a vehicle and first-time buyers are a miniscule. Having said that, such a move by Chief Minister Yogi Adityanath, will help the auto sector," Ankit Raj, FADA Chairperson, told *businessline*.

According to a Maruti dealer, the demand for strong hybrid vehicles is not much right now in the State, but with

this announcement, sales could increase. According to sources, Maruti sold around 1,000 hybrid Grand Vitara and Invicto last year. The Grand Vitara Intelligent Electric Hybrid (strong hybrid) starts at ₹18.43 lakh, and the Invicto strong hybrid at ₹25.21 lakh (ex-showroom, Noida). Toyota Hyryder and Innova Hycross are also priced similarly.

"Customers can now opt for eco-friendly hybrid vehicles like our City e:HEV in more affordable manner. This is also aligned with our global commitment to sustainable mobility and our global vision of achieving zero carbon emissions by 2050," said Kunal Behl, Vice-President, Marketing & Sales, Honda Cars.

BETTER VALUE

"It is clear that nixing the tax on hybrids could be a significant catalyst, driving the move from pure internal combustion engine (ICE) to greener alternatives. While the adoption of EVs is certain, the journey requires hybrids," said Puneet Gupta, Director, Sales and Powertrain Forecast, India & ASEAN.