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## Toyota, Maruti get into top gear with marketing for hybrids in Uttar Pradesh

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### Synopsis

Japanese automakers Toyota and Maruti Suzuki are aggressively marketing their hybrid cars in Uttar Pradesh, leveraging tax waivers to attract buyers. This move has sparked concerns among rivals like Tata Motors and Hyundai, who fear it will hurt their electric vehicle sales. Hybrid car inquiries have surged, driven by significant tax savings.



From Instagram ads to telesales, Japanese automakers [Toyota](#) and [Maruti Suzuki](#) are going all out to market their [hybrid cars](#) in the most populous Indian state of [Uttar Pradesh](#), aiming to cash in on [tax waivers](#) that upset many of their rivals.

The waivers have split India's auto industry, with [Tata Motors](#), [Mahindra and Mahindra](#) and Hyundai arguing their sales of pure [electric cars](#) will suffer. Their lobbying to reverse the July decision failed last month and they now fear other states might follow suit.

At the Sunny Toyota showroom in Uttar Pradesh's capital of Lucknow, salespeople have been tasked to call customers who visited in the last six months to tell them about the benefits of hybrid tax waivers that will help them save \$15,800 on the luxury Toyota Vellfire model and \$5,200 on its Camry sedan.

"Save big .... Order now and get your hybrid vehicle delivered right at your doorstep," said an Instagram ad by the dealer.

The campaign comes after a rare lobbying win by Toyota to get the state - which accounts for a tenth of India's car sales - to allow tax waivers on sale of hybrid cars, leading to roughly 10% in savings.

India imposes a federal tax of 5% on EVs while hybrids are taxed at 43%, just below the 48% for gasoline cars, but state taxes are extra and determined by local governments.

Toyota has globally focused more on hybrids - which combine gasoline engines and batteries - than EVs. That strategy could pay off as worries about charging infrastructure and high prices curb demand for EVs globally, while sales of hybrids pick up.

In Uttar Pradesh, six salespeople for Toyota and [Maruti Suzuki](#) - which also supports the waivers - said hybrid enquires were rising and they had been asked by the companies to increase sales.

"We have been asked to sell a minimum of 250 cars in a month. There is a lot of pressure. We are trying to shift all sales to hybrids," a Maruti salesperson said.

Toyota did not respond to a request for comment.

Rahul Bharti, executive director for corporate affairs at Maruti, said its showroom enquiries had "nearly doubled since the benefits have been effected" for hybrids.

Online and WhatsApp ads reviewed by Reuters show dealerships are using taglines including: "Enjoy the nil road tax offer" and "Say Good Bye to Diesel".

At the Sunny Toyota dealership which Reuters visited, salespeople were discussing approaching all customers who were keen to buy gasoline or diesel variants and might now be tempted to buy more expensive hybrid cars given the tax waiver.

Some dealers are advising customers to move quickly.

"No one knows how long the scheme would run," said Praveen Saxena, a sales manager at a Toyota showroom in Kanpur city in the state, adding his hybrid car sales rose 50% after the tax waivers.

K.S. Dhatwalia, a former Indian government official, chose to buy a new Toyota hybrid Hyryder, partly because of tax benefits.

"Hybrids are less polluting and there was an additional tax saving too," he said.

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