

Mahindra (india) introduces E2o electric vehicle

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Mahindra introduced its new electric vehicle e2o, in a bid to expand into the hybrid vehicle segment that the government is trying to boost through investments and tax breaks.

The four-seater hatchback powered by a **lithium ion battery** is priced at 596,000 rupees (\$11,002) at showrooms in Delhi. It replaces Mahindra's previous electric vehicle model, a two-seater called REVAi

Electric or hybrid vehicles aren't popular in India due to lack of infrastructure and inadequate investment. But the government is trying to change that.

Over the next five to six years, India plans to spend up to 138.50 billion rupees to boost the market for electric cars and plans to have about five million to six million of such vehicles--which includes two-wheelers, three-wheelers and small trucks apart from passenger cars--on the road.

The government in its latest budget said lithium ion batteries, used by car manufacturers for electric vehicles, will be exempt from customs duty. The government also extended by two years the tax exemption on some spare parts of electric vehicles.

Currently Toyota Motor Corp. sells the Prius hybrid sedan in India. A few years back Honda Motor Co. launched a hybrid version of its Civic sedan, but stopped manufacturing it soon after.

Mahindra is introducing the car at a time when high fuel prices is one of the key reasons for denting demand for cars in India, sales of which are expected to decline this year for the first time in more than a decade.

The e2o is automated, can be charged on a household 15A power socket and can be driven more than 100 kilometers in one charge, the company said.

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