

# Tata Motors' passenger and CV business to be demerged by 2025

**FOCUS AREAS.** Increasing penetration, developing used car market for EVs

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Tata Motors Ltd will demerge its passenger and commercial vehicle businesses over the next 12 months. The carmaker is also eyeing to invest 40 per cent of its capex in advanced technologies and aims to make its subsidiary Jaguar Land Rover (JLR) net debt-free by 2025.

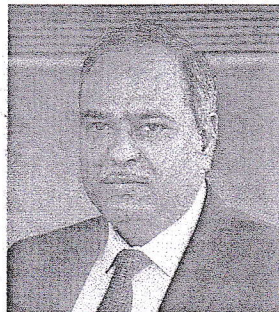
"The demerger of the passenger and commercial vehicle business will happen in one year. We are working to achieve a 10 per cent EBITDA margin. We need products in place with the right portfolio and action. We plan to invest 40 per cent of capex in advanced technologies, of which bulk will go in electrification, alternate fuel, natural gas and biofuel. Regarding electrification, we are working on fuel-cell electric vehicles and hydrogen," said PB Balaji, Group CFO of Tata Motors.

The company plans to enhance the profitability of its passenger and electric vehicle (EV) businesses through a

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**SHAILESH CHANDRA**

MD, Tata Motors Passenger Vehicles & Tata Passenger Electric Mobility



structured cost reduction and anticipates an inflationary trend in ICE vehicles while reducing EV battery prices. The company aims to increase its EV penetration to up to 40 per cent by FY30.

#### LAUNCHES IN PIPELINE

"We expect the Indian automobile market to touch six million units by FY30. The growth trend will be 6 per cent. The most disruptive will be the Corporate Average Fuel Economy (CAFE) 3 norms, which will hit in 2027. They will be more stringent than CAFE 2. Companies will face penalties. Due to this, CNG and EVs will see a significant

rise and pick-up by 2027 and beyond. We plan to capitalise 18-20 per cent market share by FY30," said Shailesh Chandra, Managing Director of Tata Motors Passenger Vehicles & Tata Passenger Electric Mobility.

"We have multiple new launches in the pipeline and a new nameplate on ICE — Curvv. We have multiple power train offerings, with the industry gravitating towards green energy. We will expand our EV portfolio. We will address the issue of charging EVs and facilitate with one lakh chargers increasing accessibility of EVs. The first-hand buy share has been reducing with

the growing preference for SUVs, Sierra and Curvv will help us grow in the SUV segment. There is also synergy between us and JLR on sharing the EV platform," he said.

The automaker is working on a strategy to offer consumers rooftop solar with its EVs. "There is a significant link between EVs and solar rooftop, which we realised particularly in Kerala, Gujarat and Rajasthan. On average, 15 per cent of consumers had already adopted solar rooftops. We are targeting EVs and solar rooftops for the long term and are thinking of offering this and are working with Tata Power," he said.

#### USED EVS

Tata Motors is working with used cars pleyer to establish a system for its EVs. "Customers have started coming back to us for used EVs. We are trying to collaborate with used car players and create an ecosystem. The FAME support should be provided till the penetration increases between 15 per cent and 20 per cent," he added.