

# 'CNG cars may account for 25% by the end of decade'

Tata Motors managing director **SHAILESH CHANDRA** discusses the company's strategy for powertrains and talks about new launch plans, in an interview with Pavan Lall in Mumbai. Edited excerpts:

## **In the midst of India's electric vehicle (EV) push, you have launched a CNG hatchback variant. Why?**

In the last three-four years, CNG cars have become more and more popular. In the personal segment, we had considered CNG as an aftermarket fitment but it has gained a lot of traction for two key reasons. One, there are more models — about 17-18, in different body types, different price points, across OEMs (original equipment manufacturers). Second, an increasing number of CNG stations across the country. So, three years back, it would have been 1,500 or so, and today it is about 5,500 CNG stations. It is very strong in certain states like Haryana, Delhi, Gujarat and Maharashtra and these are the key centres where CNG cars are more popular. Last year, the market saw 400,000 CNG cars being sold. Of this, we would have sold around 50,000. Now, the Altroz, which we have launched, is absolutely a no-compromise car with twin-cylinder technology that allows for more boot space. It comes with more aspirational features, not present in this segment. For instance, the sunroof, the wireless charger and so on. The other car we may go CNG with is the Punch.

## **Do you see CNG penetration increasing?**

Today, CNG penetration in the industry is about 10-12 per cent. It should start shifting more towards 20-25 per cent by the end of this decade. So, CNG as a percentage is going to increase because it is eco-friendly. It is also because the industry's OEMs have the pressure of meeting the CAFE (Corporate Average Fuel Economy) norms. I eventually see by 2030 a mix of 20-25 per cent CNG and 25-30 per cent electric. The rest would be petrol, mixed fuels and so on.

## **JLR (Jaguar Land Rover) is moving fast with its EV plans. Do you see Tata Motors following?**

JLR has its independent plans for the markets that it serves. We explore potential synergies in areas where we see synergy. As far as our EV plan is concerned — Generation One, Generation Two and Generation Three is the approach we are working on. And, Generation Three is when we start with pure EVs. That is when we have an opportunity for some collaboration with JLR. So, we are actively exploring that part. There will be some potential overlap, which is still under finalisation. Or, there will be an electrical architecture area, given that connectivity and ADAS are pretty much a reality for all. And, JLR is working on technology; so, that can be another area of synergy. So, these are the two potential opportunities for synergy.

## **What are your plans for the sedan segment?**

The general trend has declined from a percentage share perspective for sedans. Then 70 per cent of the sedan is in the compact category, which have smaller cars, less than



four metres, like Tigor and D'zire. So, real sedans are a small part of that because the growth of SUVs is so steep that it overshadows both hatch and sedans. The future launch action of all the players is SUVs. Therefore, that is definitely going to grow much faster than any other segment.

## **Are you saying customers are skipping the sedan phase after the hatch?**

Yes, that's where the growth of SUVs has picked up. Within no time, the sedan segment has gone down from 21-22 per cent to 10 per cent.

## **While everyone is talking about EVs, what happens if hydrogen or some alternative powertrain suddenly emerges as the call of choice?**

We always plan in terms of seven years. Strategy cycles are also seven years. And, you develop a point of view of these technologies, how they are going to be, maybe dominant in this space. Beyond seven years, you can always respond, because you have time. As far as Tata Motors is concerned, we are safely hedged because commercial vehicles are already working on hydrogen fuel technology. In long commercial applications, hydrogen fuel will make sense or even ICE (internal combustion engine)-hydrogen. What happens after 10 years, is something we'll have to continuously scan and see. Lithium dependence on a certain geography is a reality, which may be even true for ICE today. But if you talk about cobalt, then it becomes even more geopolitical. There is no doubt that Lithium-ion is going to be the lead.

## **What new launches have you lined up?**

Two new nameplates that we have already shown is Curvv and Sierra in the 4.3 metre SUV segment. That's the one, which is going to grow very fast. In 2024, it will be Curvv, and in 2025, the Sierra. We have a portfolio of seven products right now, and you will start seeing the mid-cycle enhancement of these products in the next 18-24 months. We'll have one more electric vehicle launch this financial year.



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