

Greaves Cotton Limited registers a remarkable growth of 33% in the CNG market with its new 400cc water-cooled engine despite the downturn in the Automotive markets

CNG is quietly becoming the alternate fuel of choice to power passenger three-wheeler auto-rickshaws. Use of cleaner fuel is one of the key levers Indian Government has adopted to achieve its climate goal commitment made at the global level. From a scarce presence of around 600 CNG stations two-three years ago, India today has 1400 CNG stations. The Petroleum & Natural Gas Regulatory Board of India (PNGRB) under 9th CGD (City Gas Distribution) Bidding Round has awarded Work Program for 4,300 CNG stations covering 86 Geographical Areas¹. Clearly, CNG 3W segment is slated for an unprecedented growth in coming years.

Indian passenger three-wheeler market stood at over 550,000 units in last financial year². It is estimated that semi-urban and rural market stood at over 250,000 units. With improving road connectivity and focus on infrastructure, the semi-urban and rural market for three-wheeler is expected to see a significant boom.

With CNG network slated to reach Tier-II & lower urban towns and at the same time cover semi-urban areas in India coupled with improved three-wheeler demand in these areas, industry experts believe that there will be a rapid CNG adoption. Mr. V. G. Ramakrishnan, Managing Partner at Avanteum Advisors LLP agreed saying that “With rapid expansion of CNG network in India CNG powered vehicles is likely to bridge the transition between fossil fuels and electric vehicles.”

Greaves Cotton Limited, which manufactures engines for three-wheeler and four-wheeler applications for automotive industry has successfully sold more than 5 million engines running on Indian roads for last two decades. With its unique offering of 400cc water cooled CNG engine which powers large body CNG three-wheelers, Greaves has spotted a white space in smaller urban towns and semi-urban areas. The unique characteristic of high torque at low RPM has made Greaves offering of 400cc water cooled CNG engine an instant hit in this segment. Greaves has already registered a growth of over 70% in this segment in last financial year (FY18-19) and 33% in Q1 2019-20.

Paul Zachariah, CEO of Continental Engines Ltd (manufacturer of BAXY brand three-wheelers) said, “Large Body CNG three-wheeler segment has experienced unprecedented boom in Indian market, albeit in pockets with CNG stations. Our (sales) growth has doubled in this segment in NCR region. We strongly believe that this is just the beginning of emergence of Large Body CNG three-wheeler segment. With increasing CNG station penetration and due to its lowest cost per km, we see very fast adoption of large body category of three-wheeler in semi-urban and tier-II towns with CNG availability. Baxy’s rugged vehicles and low maintenance supported by Greaves’ all new water cooled CNG engine has populated Gurgaon, NCR regions very fast where CNG is available.”

Mr Debashis Mitra, President Engine Business, Greaves Cotton Limited, said “There are many three-wheelers in the country manufactured by Piaggio, Atul Auto, Continental Auto, J.S. Auto, Scooter India, etc. most of which are powered by Greaves.”

Mr Satyavir who drives a CNG three-wheeler in Gurgaon was pleased to share, “I ride my auto-rickshaw 10 – 12 hours a day. It has a Greaves water cooled engine which is very powerful. My rickshaw runs fast even when loaded heavily. It requires less maintenance and helps earn more. “

With CNG slated to reach smaller towns and semi-urban areas, the large body CNG three-wheeler category is expected to grow multi-fold in next two years. Mr Debashis Mitra said, “Greaves continues to make significant stride in its pursuit to become a fuel agnostic player. While Greaves

has already found a sweet spot in large body CNG 3W segment, we are further completing our bouquet of product range with bi-fuel CNG, bi-fuel LPG, mono-fuel CNG run engines.” When probed about Greaves’ strategy to capture urban three-wheeler market, Mr Mitra stated that Greaves has its strategy in place and plans shall be revealed at an appropriate time.

Greaves’ continuous endeavour to sharpen its edge to support last mile mobility with its extensive service network has paid off and is well equipped to support increasing number of CNG three-wheelers with 5300+ retail outlets and 9000+ mechanics across India. What it did in diesel run three-wheeler market in India, Greaves expects to re-write similar history in large body CNG three-wheeler segment.

Sources

1. PNGRB
2. SIAM

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