

Quote by Nikhil Dhaka, Vice President, Primus Partners

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CNG vehicle registrations up 14% in CY24

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Aided by government spending on natural gas infrastructure, Compressed Natural Gas (CNG) vehicles saw an uptick in sales in CY24. A 14.46 per cent year-on-year increase was witnessed in the registration of CNG vehicles.

According to Vahan which registers vehicles across the country, 4,82,291 CNG vehicles were registered in 2024 as compared to 4,21,334 CNG vehicles registered in 2023.

“CNG options have been launched across trims in popular vehicles thereby providing an impetus to sales. CNG which was about 8 per cent of total sales in FY22 has more than doubled in the current fiscal. Also, CNG providing similar or better mileage as compared to other conventional fuels and relatively better priced (per litre) as compared to petrol has played to its advantage,” said Hemal Thakkar, Senior Practice Leader & Director- Consulting, CRISIL Market Intelligence and Analytics to *businessline*.

The uptick in sales of CNG vehicles will drive additional infrastructure for natural gas availability across the country.

Indian automaker Tata Motors CNG passenger vehicle composition stood at 21 per cent in H1FY25. Further, Pune-based two-wheeler maker Bajaj Auto sold over 38,000 vehicle units of India’s first CNG bike in CY24.

Auto car technology company CarDekho stated that CNG vehicles experienced a 17 per cent year-on-year traffic growth, with CNG’s retail market share rising from 17 per cent to 21 per cent, overtaking diesel between Apr 23-Oct’23 and Apr 24-Oct’24.

“This development of a 14 per cent year-on-year increase in CNG vehicle registrations in 2024, needs to be seen as a confirmation of market signal in favour of Natural Gas to drive Indian low carbon mobility journey. This presents an exciting opportunity for the gas sector, with more than 7200 CNG stations nationwide, CNG companies are well-positioned to meet rising demand and contribute to the Nation’s vision of increasing natural gas’s share in the primary energy mix from 6 per cent to 15 per cent,” said Nikhil Dhaka, Vice President, Primus Partners to *businessline*.

