

Pricol to acquire Sundaram Auto unit's injection moulding business for ₹215 cr

Our Bureau
Chennai

Coimbatore-headquartered Pricol is set to acquire the injection-moulded plastic components division of Sundaram Auto Components Ltd (SACL), a subsidiary of TVS Motor Company, through a slump sale for ₹215 crore.

Pricol, a supply partner for TVS Motor, will buy SACL's injection moulding business through Pricol Precision Products Pvt Ltd, a wholly owned subsidiary of Pricol Ltd.

The debt-free acquisition is being made through an all-cash deal for ₹215.3 crore,

the company said.

This acquisition is expected to add approximately ₹730 crore to Pricol's consolidated revenue.

EXPANDING BIZ

With this, our focus will remain on harnessing the combined potential of Pricol and SACL to become an integrated solution player, driving innovation and delivering sustainable growth, Vikram Mohan, Managing Director, Pricol Ltd, said.

Established in 1992, SACL has been engaged in polymer solutions and injection moulding capabilities, and runs six manufacturing facilities across India.

It reported a revenue of



Vikram Mohan, MD,
Pricol Ltd

₹727 crore in FY24 as against ₹760 crore in FY23.

The acquisition shows Pricol's aim to expand into related business areas. It provides a chance to grow the injection moulding segment into a separate business vertical, combining

SACL's strengths with Pricol's capabilities. This move opens new opportunities to grow the customer base and product range by integrating the strengths of both companies, Pricol stated.

Pricol's arm Pricol Precision Products Pvt Ltd, incorporated on April 11, 2023 to do business as an auto component manufacturer, is yet to commence its business operation. Pricol will invest up to ₹120 crore in Pricol Precision in more than one tranche to acquire SACL's injection-moulding business.

Pricol's Board has also approved providing a corporate guarantee for any loans to be obtained by Pricol Precision, up to ₹250 crore.