

Hero Motors Readies for ₹1.5kcr E-Vehicle Push

POWERING UP Co has raised funds to expand electric vehicle venture and set up new units in India, Thailand

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New Delhi: Pankaj Munjal-promoted Hero Motors is looking at investing ₹1,500 crore over the next three years to strengthen its play in the burgeoning market for electric vehicle components as developed nations across the world accelerate the shift to zero emission vehicles to allay environmental concerns.

Hero Motors, the auto components arms of Hero Motors Company Group, has raised growth equity capital from private equity firm GEF Capital Partners and its LPs for 10% stake to expand its EV venture, as part of which it will set up new facilities in India and Thailand.

Pankaj Munjal, chairman of HMC, told ET, "We are transforming our auto component business to focus on developing advanced automotive technology parts for electric vehicles. We have started supplying EV gearboxes for high-end cars being manufactured by BMW, McLaren, AMG, among others. Global demand is extremely strong, especially in Wes-

tern Europe and North America." Munjal estimates the size of the market for EV gearboxes at \$ 0.5 billion per annum, which is growing at a CAGR of 18%.

The planned capital expenditure over the next three years will be utilised to set up a forging facility for high-end cars, a disc brakes manufacturing plant,



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a new facility to roll-out gearboxes for BMW in Thailand. The company is also looking at enhancing its R&D capabilities to cater to demand for products in the electric mobility segment. With this, HMC Group expects nearly 60% of its revenues to come in from the EV parts venture, mid-term. GEF Capital Partners' managing partner Sridhar Narayan, said, "Hero Motors is actively transitioning its gears and transmission busi-

ness towards electric vehicles by acquiring capabilities across product engineering and process engineering."