

Auto parts makers put EV plans on fast track

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WITH ELECTRIC VEHICLES gaining traction, auto-component makers like Sundram Fasteners, MM Forgings, India Nippon Electricals and UCAL, among others, are drawing up plans to grow their business in this segment. For instance, Sundram Fasteners expects the EV project for North American customers, would start commercial production in H2 of FY25. It has earmarked about ₹300 crore capex for EV business.

R Dilip Kumar, CFO, Sundram Fasteners, recently told an earnings call that the company had signed EV business contracts worth about \$408 million to be executed over a six-year period starting from 2025 to 2031. In addition, subject to market recovery in America, there will be additional business from major customer in the US. The company expects the EV business to fetch ₹500 crore

ELECTRIC ROUTE



■ Sundram Fasteners has earmarked about ₹300 crore capex for EV business; has signed contracts worth about \$408 million

■ MM Forgings' capex for EV business for the next 12 months will be up to ₹100 crore

■ Nippon Electricals is making a transformative shift towards the electric vehicle product line

■ UCAL, which offers fuel management systems for auto sector, is developing products tailored for the EV and alternate energy sector

revenue by FY26.

Sundram Fasteners EV components include different types of shafts which involves complex engineering and the products will be supplied from the company's two locations at Mahindra World City near Chennai and Sri City, in Andhra Pradesh. Currently, the company has around 3% of the total revenue coming from EV and with the orders won, it would likely to go upwards up to 10% over the next three years.

Similarly, to expand further,

Chennai-based MM Forgings recently announced its foray into EV space by acquiring the city-based Abhinava Razel that can produce powertrain components for two and three-wheelers and light commercial vehicles (LCVs).

Vidyashankar Krishnan, vice chairman & MD, MM Forgings, told analysts that towards the second half of FY25 the company will start focusing on the EV market as well as some products are being launched for European and US markets and

both of these will help bolster the company's growth.

The company's subsidiary Abhinava Razel is developing product for the powertrain especially for the passenger vehicle and LCV. "The timeline would be Q1 onwards of FY25 and opportunity is really huge. Over 7 to 10-year period we see Razel has Rs 2,000 crore of turnover," he said.

MM Forgings has got approval from a couple of OEMs and is in discussions with them. The company has submitted

samples and was at various stages of development with others. On the capex for EV business, he said for the next 12 months, it will be to the tune of ₹75 crore to ₹100 crore.

India Nippon Electricals (INEL), a leading manufacturer of electronic ignition systems for two- and three-wheelers, is making a transformative shift towards an EV product line. "With an agile, flexible business model such as ours, we constantly need to recalibrate our strategies in line with evolving realities," MD Arvind Balaji said in the latest annual report.

UCAL, which offers comprehensive fuel management systems for automotive sector is developing products tailored for the EV and alternate energy sector. UCAL is strategically poised to participate in this high-potential segment," said Jayakar Krishnamurthy, chairman & MD, UCAL, in a message to its shareholders.