



Auto Expo – Components 2023

Focused on electronics and EV related products

We have attended Auto Expo – Components 2023 in Delhi. About 800 companies participated showcasing thousands of their existing as well as upcoming products with special focus on electric vehicle products. We have noticed BMS is a common product many companies have developed/developing. Apart from that, a very optimistic unanimous outlook given for the CV industry for Q4FY23 & upcoming year.

A brief interaction with a few companies are highlighted below.

Suprajit Engineering Ltd

- ✓ The company focused purely on displaying its new products designed & developed in-house. These are instrument cluster, ethrottle cable, actuators, CBS braking system, among others.
- ✓ All its new age products have much higher realization than its traditional products. E.g. normal mechanical cables for cars priced around Rs 100-200, while instrument clusters ranging from Rs 2,500 to as high as Rs 12,000 for touch screen based. ethrottle cables (used in EVs) realization is 8-10x higher than normal cables.
- ✓ As per our understanding, the order book from new products is about Rs2bn, a few months ago it was Rs1.6bn. RFQs keep floating almost every day with OEMs for different products.
- ✓ From the interaction, we understood that Suprajit might get orders from a few of the fast growing and leaders in 2W for their ICE & EV models.
- ✓ The company has been continuously winning orders for different instrument clusters they made, including digital cluster for two-wheeler ICE and EV OEMs. Its Supra 2.0 instrument cluster is the highest selling product.
- ✓ Some of the components they source it like ICs in PCB and other critical electronic components. However, the complete design & assembling is done in-house. Gradually, as scale increases, then the company will try to make more things in-house.
- ✓ Suprajit made special actuators used in charging cables for automatic locking for one of the quality names in e2W.
- ✓ After looking at the quality & delivery, Suprajit received orders for the other two products as well from that same customer. In addition, getting orders from a few other large names in 2Ws as well.
- ✓ Overall, its three products instrument cluster, ethrottle and actuators are some of the products where Suprajit has been winning orders from EV and ICE players.

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Steel Strips Wheels Ltd (SSWL)

- ✓ We met with the management of Redler and SSWL.
- ✓ The product on display was the Controller made with Redler company of Israel and its focused segment in India is electric two and three wheelers. Initially a small plant is going to setup soon mostly in North India.
- ✓ Redler supplies its other products to the defense & aerospace system of Israel, which indicates that the product quality is extremely good that's why the defense accepted its product.
- ✓ This will be priced at par with the competition in India. The product exceeds in product efficiency and also collects critical data from the EV, which will get further use to improve efficiencies and life of the battery.
- ✓ In general, the outlook for the CV industry is strong for Q4FY23. Alloy wheels is running at near peak utilization will complete de-bottlenecking exercise by Feb '23, which will increase the capacity from 3mn to 4mn per annum.
- ✓ A small land parcel is vacant within the existing premises of Gujarat plant, where the management plans to increase the capacity further from 4mn to 5mn per annum in FY24.
- ✓ The company is very optimistic about alloy wheels demand in domestic for FY24e, and will start exports in the next 4-5 months.
- ✓ On export markets, at present the company is seeing stabilization and some green shoots are visible, especially in the EU zone as energy prices have come down near normal that can lift up the sentiments & demand in the coming 1-2 quarters.
- ✓ On AMW acquisition, hearing in the Honorable Supreme Court is at the end of Jan '23 and the management is confident that eventually SSWL will win this case. At present, the company has sufficient capacities in steel wheels without AMW.

Jamna Auto

- ✓ On the outlook, the ongoing CV demand is strong, and Q4FY23 will see better numbers.
- ✓ The industry is gradually accepting Jamna's pioneered product - Parabolic leaf spring. The industry contribution five years ago was 10-12% for this product, which now increased to 30-40%. Margins are better in parabolic vs. conventional leaf springs.
- ✓ At present, parabolic leaf springs installed near front axles, however, it is going to coming at the rear side in upcoming Tata's product. In

India, a lot of overloading happens, hence OEMs prefer conventional leaf spring at the rear end.

- ✓ On aftermarket, Jamna continue to gain market share gradually. The company has done the testing of direct selling to retailers has worked in the state of Punjab. However, the dual model of selling through dealers and direct as well will continue across India.
- ✓ Its new products like lift axles, air suspension, among others are selling well.
- ✓ Overall, there is no impact of electrification on Jamna's product and the outlook on demand is positive.

Other auto ancillary companies:

- ✓ **Varroc Engineering:** The company showcased all its products including new ones viz. Chargers, BMS, DC-DC convertor, Tractor motors, Controllers, Blind spot detection, among others. Except Blind spot detection, all other products are production ready & have orders.
- ✓ **Endurance Technologies:** All products are on display, including new one BMS, which they are already supplying to electric OEMs as well as battery pack manufacturers. Its major focus is 2W, 3W. The company developed BMS for electric PV as well, but it's not yet commercialized.
- ✓ **Subros:** The company has no orders for electric cars. It already have the product/technology to make different compressors & chillers for electric vehicles. Subros makes products for Room AC players like Voltas, Havells, etc.
- ✓ **GNA Axles:** Upbeat on domestic CV industry, while domestic tractor is stable. Internationally, its sales is doing reasonably ok with incremental volumes coming in from its new segment SCVs. Additionally, received orders from Jimny & M&M's SCV in India. There is no impact of electrification on its products. FY24 & FY25 will be a good year as it has good orders for SCVs components especially from international markets.

Suprajit Engineering

E-Throttle cable without switch



Supra 2.0 - Instrument cluster



Actuator



Supra 2.5 – Instrument cluster



USB Port 2.0



Integrated CBS



GNA Axles



Jamna Auto

Parabolic leaf spring



Truck & Trailer – Air spring



Steer Damper



Trailer air suspension with life axle



Endurance Technologies

BMS – for high voltage application



BMS – for two & three-wheelers



Shock absorbers

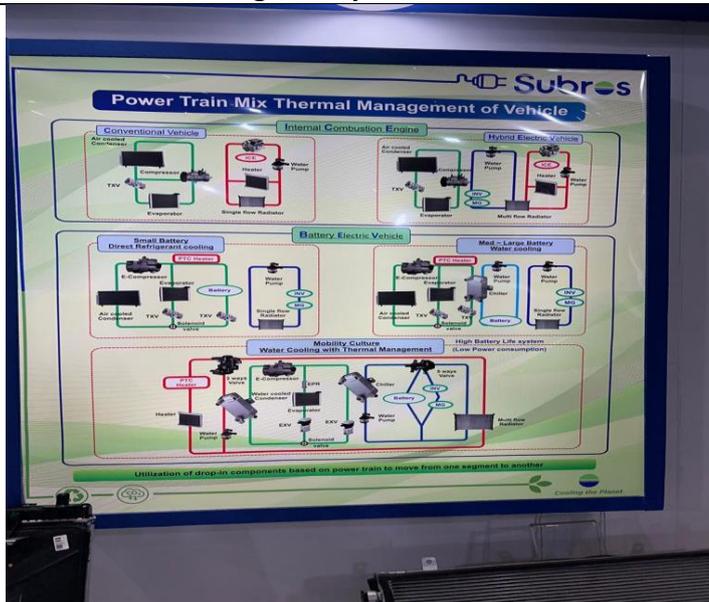


Front forks



Subros

AC workings/components in ICE & EV



AC components – bus applicaion



Varroc Engineering

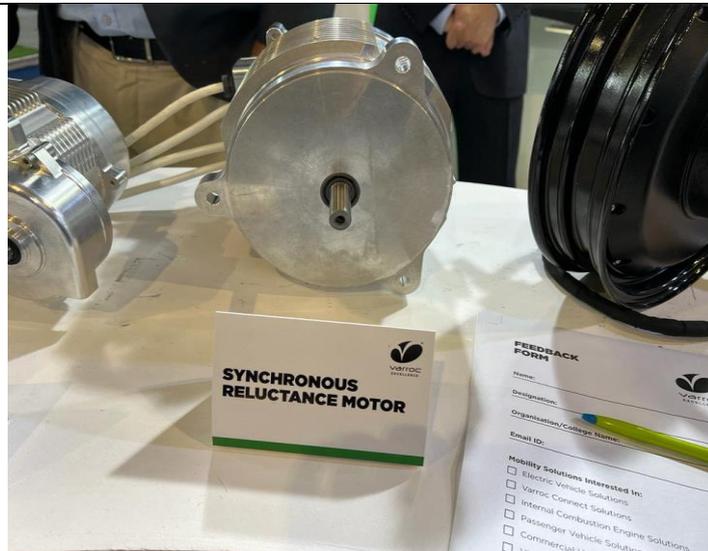
Blind spot detection



BMS



Electric motor & controller



Charger



DC-DC converter



At Auto Expo - OEMs, many new models launched especially on alternate fuel technologies across segments PVs, CVs, and 2Ws.

- ✓ On the expected lines, Maruti Suzuki launched Jimny and Baleno crossover Fronx. Now, it has four SUVs and aims to gain share in India. We trust that Fronx will be volume generator, while Jimny is targeting niche segment. Apart from that EVX concept car revealed, 60kWh battery pack offering 550km of driving range. Taken care of comfort, convenience & connected features. It will launch by 2025.
- ✓ Tata Motors displayed a range of models including Sierra EV (launch in 2025), Avinya Gen 3 EV (2025), Harrier EV (2024), Curvv ICE & EV (2024), Tiago EV (FY24), Altroz CNG, Punch CNG, and some variants of existing models.
- ✓ Hyundai displayed its premium electric car costing Rs 45 lakhs ex-showroom.
- ✓ BYD is the largest EV carmaker in the world is very aggressive in the India market and could possibly set up a manufacturing unit. The plans for the same will get unveiled in 2025. In our opinion, in the mid-to-long term, BYD would be a very tough competitor in the electrification era for Indian auto OEMs.
- ✓ All other passenger vehicle OEMs like MG, Toyota, among others showcased a range of new models including battery electric vehicles.
- ✓ On the CV side, Ashok Leyland, VECV and Tata Motors displayed a few products with special focus on alternate fuel technologies, including EVs, flex fuel, hydrogen fuel cell, hydrogen-ICE, CNG-LNG, etc. All these products showcased are to show that CV companies can develop many alternatives to the ICE diesel powered engines. But, the management teams were not sure which technology will lead in the future.

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