



Sundram Fasteners Limited

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National Stock Exchange of India Limited

Scrip Code - SUNDRMFAST

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 051

By NEAPS

BSE Limited

Scrip Code - 500403

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai - 400 001

By Listing Centre

Dear Sir/ Madam,

Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations, 2015)

Pursuant to Regulation 30 of the SEBI LODR Regulations, 2015, please find attached the paper clipping as published in the Business Line Newspaper dated June 18, 2024.

Kindly take the above information on record.

Thanking you,

Yours truly,

For SUNDRAM FASTENERS LIMITED

G Anand Babu

Senior Manager – Finance & Company Secretary

The Business Line, Chennai Edition dated June 18, 2024.

Sundram Fasteners' EV-parts orders top ₹4,000 cr

G Balachandar

Chennai

Sundram Fasteners Ltd, a leading auto-parts manufacturer, is experiencing significant growth in its electric vehicle (EV) order book. The company currently has around ₹4,000 crore worth of EV orders, with more contracts in the pipeline.

The current ₹4,000-crore order book is to be fulfilled over the next 5-6 years. The order book is expected to grow as Sundram Fasteners negotiates with several customers for new EV orders, R Dilip Kumar, Chief Financial Officer, Sundram Fasteners, said during the recent earnings call.

Despite some challenges, the transition to the EV technology in India is accelerating, fuelled by government subsidies, increased awareness, and more frequent product

launches across various categories. Consequently, Sundram Fasteners has seen a robust inflow of orders for EV parts.

The Chennai-headquartered company supplies components such as fasteners, hot-forged machine parts like bevel gears and pinions, battery coolant caps, and various types of shafts to OEMs in the EV sector. Additionally, it is developing an electric water pump.

CAPEX PLANS

According to information culled from earnings call and other company sources, to execute the current and future orders in the EV business, Sundram Fasteners is expanding capacity at its factories in Mahindra City and Sri City near Chennai. For the current year, the company has planned a capex of ₹350-400 crore,



Arathi Krishna, MD,
Sundram Fasteners

primarily focused on the fastener division to meet export requirements and support the EV business. In FY23, it incurred a capex of ₹343 crore, which was fully funded through internal accruals without any incremental borrowings.

The company's management believes in a gradual transition to EVs, starting with internal combustion engines

(ICE) to plug-in hybrids, and then to fully electric vehicles. With a growing EV order book, Sundram Fasteners expects the EV segment's contribution to total revenues will increase from about 6 per cent now to 10-15 per cent in the coming years.

RENEWABLES FOCUS

To sustain growth and prepare for the expected reduction in content per vehicle due to the shift from ICE to EV, Sundram Fasteners

is focussing on wind energy and supplying fasteners for industrial and off-highway applications. The wind power segment has the potential to double its revenue from the current ₹250 crore to more than ₹500 crore in the next 2-3 years, the management said.

Thus, the company expects the share of non-automotive revenue to increase from 30 per

cent to 50 per cent over the next five years.

"We broadly identified three key structural growth drivers for SFL in the long term — the beginning of execution of EV order book of ₹4,000 crore; ramp up of wind energy project, which has already been started; and hopes of an increase in the order book for EV business as the management has been engaged with multiple customers in domestic and overseas customers," according to a Sharekhan report.

"With the advent of electronic systems into automotive and consumer electronics, system cooling and faster heat dissipation assume primary importance. SFL is happy to foray into a new product line, copper heatsink. This has greater potential for all Evs, aerospace and defence, IT and telecommunications and healthcare," Kumar told *businessline*.