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Indian News

Sundram Fasteners Secures US\$ 250 Million Deal from Global Automaker



Sundram Fasteners Ltd, one of the world's largest suppliers to original equipment manufacturers (OEMs) and automakers, has been awarded a US\$ 250 million contract by a leading global automobile manufacturer to supply sub-assemblies for its electric vehicle (EV) platform. The contract is the largest in the Chennai-based company's 60-year history and is one of the largest won by an Indian supplier for this range of products for an EV platform.

The company intends to invest 200 crore to support the new orders under the six-year purchase package, which includes the supply of input and stator shaft sub-assemblies as well as drive gear sub-assemblies. The parts will be shipped from Mahindra World City (Chengalpattu, Tamil Nadu) and Sri City (Tirupati district, Andhra Pradesh), and will be serviced from its warehouse in North America. With a supply of 1.5 million transmission sub-assemblies per year, the company expects annual sales to peak at US\$ 52 million in 2026.

The win demonstrates the trust and confidence that the company's clients in India and around the world have in it, and it will help to expand the company's global business as it works on its strategic roadmap for the future. The sub-assemblies will be used in EV models such as MHEV/PHEV/BEV, covering a wide range of segments such as mid-size trucks, SUVs, and sedans. The new vehicles will be launched from the North America platform in 2024. In the manufacturing of the products, the company will use special processes such as axial forming technology, which can withstand extreme temperatures and rigorous durability tests, meet high torque requirements, and operate in a silent environment.

Delighted to win the prestigious award that marks a significant milestone in the company's history, Arathi Krishna,

Managing Director, Sundram Fasteners Ltd, reiterated that the US\$ 250-million supply contract, one of the largest in India, is a further testimony to the company's commitment to manufacture and supply high-quality, industry-leading products.

Commerce Ministry Releases a List of Indian Goods Russia Wants to Import

The Commerce Ministry has shared a list of hundreds of goods, such as auto parts and textiles, that Russia has provided to India for imports with export promotion councils and exporters. Russia, on which western countries have imposed sanctions as a result of its invasion of Ukraine, has shared a list of hundreds of items from industries such as pharmaceuticals, textiles, auto components, and chemicals. According to industry experts, it will be difficult for Indian exporters to ship these goods to Russia due to a lack of available containers for the country.

The apparel industry has expressed interest in shipping the goods, but the auto industry appears concerned. Some exporters have contacted the Indian embassy in Moscow regarding the list. Commenting on the issue and stating that Russian buyers are inquiring about a wide range of Indian products, "Indian exporters are evaluating the proposal as they have to be careful with the sanctions, with their diversified exports basket covering the US and the European Union," said Dr. Ajay Sahai, Director General & CEO, Federation of Indian Export Organisations (FIEO). "With payment mechanisms ready to go in a few days and logistics options opening up, we are hopeful that shipments will begin under this mechanism."

Axles, crankshafts, fasteners, pistons, power steering pump drive shafts, valve springs, turbochargers, oil filters/pumps, spark plugs, ignition coils, seat belts, bumpers, welding materials, bearings, breaks, sterilization equipment, and fruit & vegetable concentrates are among the items on the list. Russia has emerged as India's fifth

largest trading partner, with a bilateral trade of US\$ 22.7 billion (US\$ 1.3 billion exports and US\$ 21.4 billion imports) during the six-month period.





Keller & Kalmbach and Mohindra Fasteners Form a Joint Venture

Keller & Kalmbach Group, a Munich-based specialist for fasteners and fixing technology, and Mohindra Fasteners Ltd, an Indian manufacturer of cold and hot forged fasteners and precision machined components for automotive and industrial applications, formed a Joint Venture (JV) known as KK Mohindra Fastenings Pvt Ltd. In addition to providing local support, the JV will seek to continuously expand its activities and implement VMI, Kanban, and other C-part management tools at Indian and international industrial plants in India, utilizing a variety of eLogistics solutions such as RFID-based Kanban systems, among others. KK Mohindra Fastenings intends to begin operations in Pune in about six months and will expand its horizons to other geographical locations in the following phase to serve customers across India.

Dr. Florian Seidl, Managing Director, Keller & Kalmbach, said, “We will combine the best of both worlds—Mohindra Fasteners’ manufacturing expertise on the Indian market and Keller & Kalmbach’s specialization in terms of intelligent and customized C-parts management for industrial companies.” Stating that in addition to fasteners, KK Mohindra Fastenings will offer a wide range of C-parts and will always focus on efficiency, supply security, and process optimization with intelligent C-part management tools, he asserted, “With our experience in application technology, we optimize material flow and aim to build responsible partnerships with our customers in India and offer new ways of thinking in the manufacturing industry.”

Emphasizing that the Indian industry is at a crossroads because customers today want to enjoy the value-added services that their counterparts in developed markets enjoy in addition to the good quality of the product,

Deepak Arneja, Managing Director and CEO, Mohindra Fasteners Limited, commented, “As a fastener manufacturer, we needed a specialist who understands the industry requirements by providing world-class inventory service at an affordable price. Based in Germany, Keller & Kalmbach fits into this role perfectly. We are excited to present the new company.”

India Plans to Bring 50 Products Under QCOs Next Fiscal: DPIIT

The Department for Promotion of Industry and Internal Trade (DPIIT) is engaged with the Bureau of Indian Standards (BIS) and concerned stakeholders for the identification of products for which quality control orders (QCOs) exist. India is looking to bring as many as 50 products, such as aluminum, copper items, and household electrical appliances, under quality standards by the second quarter of 2023–24. Items cannot be produced, sold, traded, imported, or stocked unless they bear the BIS mark. DPIIT is in the process of developing QCO for various products, and these orders are issued in accordance with the WTO Agreement on Technical Barriers to Trade (TBT) for industries under its jurisdiction.

According to a DPIIT statement, it intends to issue approximately 50 QCOs by the second quarter of 2023–24, and in this regard, industry, apex industry associations (CII, ASSOCHAM), sectoral industry associations, respective administrative ministries, and concerned R&D institutions/organizations are asked to provide feedback on the 16 draft QCOs. Stakeholders can provide feedback on these 16 drafts to the department by December 31, 2023. The 16 draft orders cover 16 product categories, including aluminum & aluminum alloy products, bolts, nuts, fasteners.



Sundram Fasteners Anticipates 8-10 Percent Increase in Industry Growth

Sundram Fasteners Ltd, a manufacturer of high tensile fasteners for precision-driven sectors, expects the auto components industry to grow at an 8 to 10 percent rate this year, with increased domestic automotive and aftermarket demand driving this growth. Export demand is also stable, though North America, Europe, and the rest of Asia continue to face chip shortages and other supply chain issues, shares Arathi Krishna, Managing Director, Sundram Fasteners Ltd.

“Economic growth of 6.5 to 7 percent, EV incentives under the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India (FAME) Policy, and the PLI scheme are all contributing to the growth momentum. The auto industry performed well in the first half of fiscal year 2023, and OEM indications suggest that demand will remain buoyant until the end of the year, subject to the cyclicity of the Commercial Vehicles and Tractor segments,” she claims. Krishna sees the passenger vehicle (PV), multi-utility vehicle (MUV), and commercial vehicle (CV) segments as promising, and she adds that the tractor segment is having a good run for the third consecutive year now, and the OEM sales numbers are robust, but retail sales in the second quarter of FY23 appear to be subdued.

