

Indian EV component mkt projected to exceed ₹150k cr by 2030, says ICRA

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Chennai: The Indian e-two wheeler component market potential is projected to exceed Rs 1,00,000 crore by 2030, while the e-passenger vehicle component is expected to clock another Rs 50,000 crore at least, in terms of revenue potential for ancillaries, said credit rating agency ICRA. Demand for EV batteries in India (for domestic sales) is projected to be more than 15 GWh by 2025 and more than 60 GWh by 2030.



Shamsher Dewan, senior VP and group head — corporate ratings, ICRA, sa-

E-POWERED OPPORTUNITIES AHEAD

- ▶ Indian e-two wheeler component market potential to exceed **₹1,00,000 crore by 2030**
- ▶ By 2030 e-passenger vehicle component market to hit at least **₹50,000 crore**
- ▶ Component companies to spend **₹25,000 crore on EV components** in 3-4 years
- ▶ Around **45%-50% of the capex** spend will be on battery cells



Source: ICRA

id, “Auto ancillaries have started investing in EV components to capitalise on this opportunity, and companies have entered into collaborations/joint ventures in cases of technological impediment.” ICRA, he added, expects at least Rs 25,000 crore of capex for EV components in the next three-four years, “for capacity building, technology and product enhancements and about 45-50% of

this, would be towards battery cells”.

India’s EV penetration reached just under 5% in FY2024, with much of it driven by the electric two-wheelers with e-three-wheelers and electric buses also contributing. At present, only around 30%-40% of the EV supply chain is localised, said the ICRA report.

Chassis components that require minimal technology

upgradation are manufactured locally though there has been substantial localisation in traction motors, control units, and battery management systems over the years. However, advance chemistry batteries, which remain the most critical and the costliest component, accounting for almost 35%-40% of the vehicle price, are imported. Hence the opportunity for local component companies as EV makers localise.

ICRA expects EVs to account for around 25% of domestic two wheeler sales and 15% of passenger vehicle sales by 2030, translating into strong market potential for EV components.