

Lumax moves into transmission shift tower business for PVs

The Gurugram-headquartered Tier I automotive component major has received big orders from OEMs, with supplies slated to commence from Q1 FY25. **Mayank Dhingra** reports.



Lumax Auto Technologies (LATL), which is part of the Lumax DK Jain Group and houses the automotive lighting major's non-lighting, new-age product lines such as antennae, telematics, and gear shift selectors among others, is set to increase its content-per car with the introduction of transmission shift towers for the Indian market. In 2019, LATL had partnered with Germany's Jopp, a domain specialist in mechatronics and driver interface systems, to transition from being a gear shifter assembly supplier under its Lumax Mannoh Allied Technologies (LMAT) JV, to a transmission sub-system supplier. LATL is now aiming for a 20 percent market share

A woman technician inspecting the final assembly of an automatic gear shifter module at LATL's flagship plant in Manesar, Haryana.

in the transmission shift towers business over the next 24 months. In fact, the company claims it already has an order book worth 5,00,000 units from two Japanese and an Indian passenger vehicle OEM.

Supplies to begin from June 2024

The joint venture, called Lumax Jopp Allied Technologies (LJAT), which is located at LATL's mother facility in Manesar, Haryana, will commence OEM supplies from June 2024. The company says all three existing supply agreements with its customers will fructify by June 2025.

With a dominant market share of 55 percent in the

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gearshift lever category to PV and CV OEMs in India, LATL says its foray into transmission shift levers was a natural progression to offer end-to-end solutions to its clientele.

"We felt a strong need to be a full-systems supplier in the transmission domain. That's where we found the right partner in Jopp. We aim to have a 20 percent share of the transmission shift towers category in the next two years," Vikas Marwah, CEO, LATL, told *Autocar Professional*.

LATL is a key supplier of gearshift selectors to Maruti Suzuki India, Toyota Kirloskar Motor, Hyundai Motor India, Tata Motors and Mahindra & Mahindra in the PV segment. The company's three facilities - at Manesar, Bengaluru and Gujarat - have a combined annual installed capacity of four million units. "We are extremely bullish about the Indian PV market and the potential of LATL's growth in the coming years. We will set up another plant in West India (Pune) that will further strengthen our capacity to 4.5 million annual units," added Marwah.

At present, the company is witnessing a 70:30 ratio of manual transmission shifters to automatic transmission gearshift selectors and believes the AT trend is gaining momentum very quickly and is likely to command a 50 percent share of the PV market in the next three years.

While it is an equal split currently in terms of value of the shifters, going ahead, LATL expects AT shift selectors, with their high-on-technology product attributes to dominate with a 75 percent value share. "With their CAN-based technology, the value of the AT shifters will be driven up even further. Also, these shifters are becoming more premium in terms of their look and feel, which also grows their value contribution," Marwah explained.

With LMAT and LJAT, Lumax is building mechatronics, software and electronics competencies to locally design and validate new products based on customer demand. The in-house LMAT R&D facility enables LATL to front-load the design and engineering based on customer requirements. What's more, its new product development time has also been significantly reduced.

Targeting Rs 15,000 kit value by FY2026

LATL, which currently offers a range of products categorised under seven technology verticals and derived out of 8 joint ventures and one technical collaboration, aims to significantly increase its per-car content with its expanded range of solutions.

"It would be wishful thinking for us to have all the eight JV products implemented into one vehicle. We do not have that right now. But we do see that at least on five or six of the upcoming models of several PV OEMs, five of our JVs with their products will be present. We expect our average kit value to increase to Rs 15,000 in another 24-36 months," remarked Marwah. "As the level of vehicle electronics increases further, there is more opportunity to grow our kit value, particularly if we grow our play in the telematics space, which is an electronics-intensive category, and therefore offers higher value," he pointed

"We felt a strong need to be a full-systems supplier in the transmission domain and we aim to have a 20 percent share of the transmission shift towers category in the next two years"

Vikas Marwah
CEO, LATL



out. Meanwhile, Lumax Ituran Telematics, LATL's JV with Israel's Ituran Location and Control, LATL is venturing into telematics products catering to the commercial vehicle segment, emanating out of the prevalent AIS-140 regulations, which mandate the need for an emergency button in all commercially operated fleet vehicles. "We are making an entry into telematics with the commercial vehicle space, which will be followed by two-wheelers, and then the aftermarket," Marwah said.

The company says that with almost three million light- and heavy-duty commercial vehicles plying on Indian roads, it has homed in on a massive market opportunity for its telematics devices. "It is a huge market out there, and we will tap into that opportunity. We will introduce our telematics devices by Q4FY24," Marwah added.

Well-diversified product portfolio

Of its eight JVs and one technical collaboration, LATL focuses on emission systems such as filters, ducts and fuel tanks, under its JV with Italy's Cornaglia. The company is a key player in the BS-VI emissions space and supplies oxygen sensors to the two-wheeler segment by virtue of its relationship with Spain's FAE since 2017. In CY2020, LATL struck a 50:50 partnership with Japan's Yokowo to supply on-board antennas to passenger vehicle OEMs in India.

In CY2022, the company also partnered with Japan-based Alps Alpine to manufacture and supply electronic devices and components such as switches and car audio solutions, while it also entered into a technical agreement with the Japan-based IO Industry for kinematic components.

Earlier in CY2023, the company acquired a majority stake of 75 percent in the International Automotive Components (IAC) India business to diversify into the passenger- and commercial vehicle interior domain. While the IAC Group is a global supplier of powertrain-agnostic exterior components and interior systems such as instrument panels, cockpits and consoles, door and trim systems, headliner, and overhead systems among others, LATL is a strong player in interior components such as power-window switches, gear shifters, and embellishments for dashboards and door panels. The inorganic partnership will give LATL an opportunity to expand its customer base from its existing hold of the two- and three-

wheeler segments, to passenger vehicle as well as the commercial vehicle segments, where IAC India is a key supplier to automotive OEMs like Mahindra & Mahindra, Maruti Suzuki India, Volkswagen India and VE Commercial Vehicles among others.

LATL also aims to tap the R&D capabilities offered by IAC India to drive synergies and co-develop products and transform itself into a systems supplier. With the acquisition getting completed in March 2023, the company will see consolidation of IAC India revenues into its books for the first time in FY24 and is bullish about the robust margins and strong order book of IAC India.

LATL, which had clocked Rs 1,850 crore in revenues in FY23, aims to continue outpacing the market, and achieve 20 percent year-on-year growth in FY24. Clearly, this is yet another supplier which is contributing to the strong performance of India Auto Component Inc, which has clocked record revenues of Rs 5,60,000 crore in FY23. ■