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India's EV Growth Driven by Demand for Permanent Magnets; Two Companies Lead the Race

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India's electric vehicle (EV) industry is gaining momentum, and a critical but often overlooked component is emerging as a key growth driver: permanent magnets used in EV motors. These magnets are essential for improving motor efficiency and performance, and their rising demand is fueling interest in companies investing in this space.

As reported by the Financial Express, permanent magnets made from rare earth elements are vital in ensuring high power output and efficiency in EV motors. With the government's focus on electric mobility and increasing domestic production, there is a growing push to reduce dependency on imports, especially from China, which currently dominates the rare earth supply chain. Two companies are positioning themselves to benefit from this trend.

Remsons Industries has moved beyond its traditional auto components business by venturing into the EV ecosystem. It has entered a joint venture aimed at developing and supplying electric powertrain components for two- and three-wheelers. This strategic shift is expected to boost the company's role in India's growing EV supply chain.

MM Forgings is also building capacity in the EV component space. Known for its work in metallurgy and forging, the company is developing technologies to support electric mobility, including parts that require permanent magnets. Its technical expertise and manufacturing infrastructure put it in a strong position to meet the rising demand for EV parts.

The growing need for permanent magnets highlights the importance of creating a self-reliant supply chain for critical EV components. As electric vehicle adoption continues to rise, companies like Remsons Industries and MM Forgings are becoming increasingly relevant, both for investors and for the future of India's EV industry.