

Oracle/AVTEC Press Conference

AVTEC'S NEW FACILITY TO SELL COMPONENTS FOR TATA'S SMALL CAR



New Delhi: Avtec Ltd, an Auto component maker and part of the CK Birla Group, would set up a new facility at Kharagpur primarily to cater to Tata Motors' much awaited Rs 1 lakh car. At an investment of about Rs 80-100 crore, the company would manufacture components for axles, transmission, gear boxes amongst others.

“We are setting up a new facility at Kharagpur which is expected to be operational by the first quarter of next year,” said Mr Sudhir Rao, Chief Executive Officer, AVTEC, at the sidelines of a press meet.

Currently, the company has manufacturing facilities at Indore, Hosur and Chennai for powertrain components.

While Kinetic Motors has bagged the order for supplying to Tata's small car, AVTEC too would be supplying similar components which would divide the order between the two players.

Bulk order

A source said: “The company has got a bulk of the order to supply components for gear boxes,” but could not provide details on the size of the order.

The company mainly exports to North America and Western Europe. While the company ruled out any options of setting up greenfield investment in overseas markets in the near future, Mr Rao said that the company was looking at acquisitions in the range of €30-50 million.

Last year, the company clocked net sales of Rs 570 crore with its customer base of OEMS like Ashok Leyland, BEML, Caterpillar, Ford, General Motors, Hindustan Motors and Mahindra.