

Avtec to invest Rs 200 cr in engine, transmission capacity

Proposed expansion at Chennai, Indore plants for export

New Delhi, Feb. 13

Auto parts maker Avtec, part of the C.K. Birla Group, is investing Rs 200 crore to expand its engine and transmission components capacity. The proposed expansion would be at its Chennai and Indore plants for the export market.

"We are investing Rs 200 crore by the end of March 2009 to increase our engine and transmission capacity to service a North American auto original equipment maker. With this, our capacity would grow to 3,50,000 units from the current 2,00,000 units," said Mr Sudhir Rao, Chief Executive Officer, Avtec.

This would also take the company's exports to Rs 75 crore from the estimated Rs 25 crore by the end of this fiscal. At present, the company has manufacturing facilities at Indore, Hosur and Chennai for powertrain components.

Mr Rao said that the company's greenfield facility at Kharagpur for Tata Motors would be operational in the next six to eight weeks for which the company has infused Rs 100 crore.

"The plant at Kharagpur would be for Tata Motors heavy vehicle truck axle and for its small car Nano. It would have a capacity of 1,50,000 units," he said.

Avtec is a contract manufacturer for the entire engine for companies such as General Motors and Ford.

The Delhi-based company is also considering extending its product portfolio to components such as gears, shafts which are related to powertrains. "This extension would be through collaboration with an overseas component maker with manufacturing and engineering capability," stated Mr Rao.

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