

Avtec to invest Rs 135 cr in capacity expansion



Mr Prabhakar Kadapa

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Auto engine and transmission component maker, Avtec Ltd, part of the \$1.8 billion C K Birla Group, plans to invest up to Rs 135 crore in the current and next fiscal to expand capacity by 35 per cent. It will also invest part of the funds in R&D and on new business.

Production

The company, which is one of the two suppliers of transmission sets for Tata Nano, said it is doubling production of the crucial component set for the small car at its Kharagpur plant to 10,000 sets a month, within the next four months.

It hopes to almost triple its own capacity by March next year to 14,000 sets a month, in tandem with Tata Motors' ramp up of Nano production to the maximum current capacity of 2.5 lakh units a year at Sanand.

Mr Prabhakar Kadapa, CEO, Avtec Ltd, told Business Line that with the auto industry showing a promising growth, component makers are rapidly increasing capacity. However, they are facing a major constraint from their own suppliers who are not able to grow as fast.