

---

## **Rajkot auto components units on expansion drive**

*Wednesday, 01 Sep, 2010*

Rajkot auto components industry, which has about 70% share in the Indian auto parts industry, seems to be on an expansion mode buoyed by more than anticipated demand.

Rajkot, which has about 1000 small and medium units, is witnessing an increase in their production capacity to cater to the huge demand this year. As per industry sources, the orders have increased by 35% to 40% this year and to fulfill the requirement, companies are investing in capacity expansions.

Mr RK Jain president of Vikram Valves Company which manufactures high technology valves for automotives, generator sets, stationary and marine engines said that “Expansion is a must for the auto industry at this time as the demands are very high and it poses a great opportunity for us. The industry may attract about INR 1000 crore investments during the next two years, especially from the medium scale units.”

The company is planning to join hands with an American auto company in the near future. Mr Jain said that “We are in the process of tying up with an American company and will invest INR 25 crore for expansion this year.”

Rajkot has about 50 original equipment manufacturer suppliers in auto components and the total turnover of these units is about INR 800 crore to INR 1000 crore per year. An overall turnover of the industry is about INR 4000 to INR 4500 crore every year.

City based Amul Industries, which is a leading supplier for TATA Nano cars has already invested INR 10 crore for expansion this year. The company is building up a unit near Nano factory at Sanand.

Mr Suresh Santoki MD of Amul Industries said that “As the growth of auto industry is seeing an uphill, the demand for parts is also increasing and good monsoon supports the growth. The orders have increased by 35% to 40% this year. Medium size companies are considering an expansion during this time and some of them have already started the process. It will continue for next two years.”

(Sourced from BS)

**For more news visit at [www.steelguru.com](http://www.steelguru.com)**