
Lohia Group enters into automobile sector

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Lohia Group has announced its foray into the automobile sector with an INR 150 crore investment to launch electric two and three wheeler vehicles in the second half of 2008.

Lohia Group, which has set up a subsidiary called Lohia Auto Industries, will set up a Greenfield manufacturing facility in Kashipur in Uttarakhand, with an installed capacity of 200,000 units a year.

Mr Ayush Lohia VP of Lohia Auto Industries said that "Recently, central and various state governments have taken initiatives to promote environment-friendly vehicles. Keeping in mind this aspect and soaring fuel prices, we have decided to launch electric vehicles in India." He added that the first lot of the electric two wheelers from the Lohia stable would hit the market by August 2008 followed by three wheelers in November 2008.

Commenting on the company's production capacity, he said out of the installed capacity of 200,000 units a year, about 150,000 would be two wheelers and the remaining would be passenger three wheelers. He added that "The capacity is scalable up to 800,000 to 1million in the future."

Mr Lohia said that initially, the facility would have about 60% localisation in components, which would be increased up to 70% to 80% within 3 to 6 months of the launch. It would also set up two research and development centers.

Lohia Group is currently involved in garment and handicraft exports, steel and brass coil business and real estate.

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