

Hitachi Automotive sets up auto parts facility in Tamil Nadu

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Chennai - Hitachi Automotive, part of the Japan-headquartered Hitachi Group, has set up an auto parts manufacturing facility with an investment of Rs 3.13 billion (Rs 313 crore) to cater to domestic and overseas markets, a top company official said today.

Hitachi Automotive Systems India will manufacture valve timing control systems and ignition coils from October this year at the

facility at Panchanthiruthi village in Tiruporur Taluk in neighbouring Kancheepuram District.

"Hitachi Automotive Systems India has invested around 5 billion yen (Rs 3.13 billion) to build the plant in the integrated industrial park of One Hub Chennai," Hitachi Automotive Systems, Chairman and CEO, Kunhiko Ohnuma told reporters.

Ohnuma said the company's move towards production of auto parts is in the backdrop of global carmakers expanding their operations worldwide.

"Overseas operations are already contributing to a greater share of total revenues than those in Japan. For fiscal 2015, we are targeting revenues of one trillion yen, an operating income ratio of 7 per cent and an overseas revenue ratio of 60 per cent," he added.

The new plant was set up by capitalising on the strengths of the business scale of Hitachi Group, he said.

Hitachi Automotive Systems Corporate Officer in Charge of India Business Bradley J Maggart said the company will begin production at the unit in October and serve domestic and overseas markets in its first year of operations.

"We will be supplying to both domestic and overseas markets like Brazil, Europe and ASEAN countries. Currently, we have contract with four customers in India," he said.

On the growth strategy, Ohnuma said: "In fiscal 2020 we are aiming for a revenue Rs 3,900 million that is nine-fold rise from Rs 430 million a forecast revenue for fiscal 2015."

The company plans to earn top three product market share position, he said.