

Hitachi Automotive sets up Rs 300 cr facility in TN

By D Govardan Apr 16 2015

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Hitachi Automotive Systems (India), part of the Hitachi Automotive Systems Group, Japan, has established an auto component manufacturing facility near Chennai. The company has invested a little over Rs 300 crore in the facility that has come up in One Hub Chennai, an integrated industrial park, about 50 km south off Chennai.

The company's decision to set up a manufacturing facility, its second in India, is to cater to the growing domestic demand for vehicles and also to tap export potential. The group sees India as a strong base for its global strategy.

The unit will manufacture valve timing control (VTC) systems and ignition coils for passenger vehicle engines to begin with. It then intends to expand its product base to be manufactured at the new unit, the company said in a statement. It will focus on sourcing parts and components for its products from vendors in India to reduce costs.

Production at the new unit will begin sometime in October this year and the facility will employ about 230 people initially. It will serve Hitachi's customers both in India as well as overseas markets including ASEAN, Europe and Brazil

"Global standard production lines will be introduced for producing VTC systems and ignition coils with global quality and pricing. Our product strategy in India is about supplying low-carbon technology products," said Kunihiro Ohnuma, chairman & CEO, Hitachi Automotive Systems told reporters here on Wednesday.

Hitachi already has a auto parts unit in Pune. The unit was established through another subsidiary Hueco Eletronic India (HEI). Hitachi group has 31 entities in India across business segments. Automotive parts business has three companies –HEI, HASI and Clarion India.

Hitachi has devised a three-pronged strategy to achieve good growth in auto parts business in the country by 2020. It is also looking at options to set up another unit under its subsidiary Clarion for making infotainment systems and products, Ohnuma pointed out.