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Atul Auto in final stages of land acquisition for Rs 300-crore unit

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ATUL Auto Ltd, one of the country's leading three-wheeler makers, is in the final stages of acquiring 50 acres of land near Bawla, on the route from Ahmedabad to Rajkot, for a new Rs 300 crore unit.

"The land acquisition will be over in the next 10 to 15 days. We plan to begin construction in this (July-September) quarter," said Nipul Mehta, AGM, Retail Finance (Marketing) of the Rajkot-based company that manufactures Gem and Shakti brands of three-wheelers at their maiden unit in Rajkot.

The new unit near Ahmedabad will have an annual capacity of 60,000 units that will help the country's fourth largest three-wheeler maker compete with bigger rivals like Bajaj Auto and Piaggio Vehicles India Pvt Ltd.

The company is acquiring the land directly from farmers at Bawla, located about 30 km

from Ahmedabad and 17 km from the Sanand auto-hub.

"We will invest between Rs 250 and Rs 300 crore in this plant. It will mostly manufacture petrol, CNG and LPG variants of three-wheelers," Mehta told *The Indian Express* on the sidelines of an event, in which it inked an MoU with Corporation Bank for financing commercial vehicles of the company across the country.

Maintaining that Atul Auto was a "debt-free organisation", the official said the company was also in talks with possible foreign partners for the project. The company that exported about 1600 units in 2013-14 will be looking to use the upcoming plant near Ahmedabad for exports.

"At a time when auto companies are registering a degrowth of high as 36 per cent, we have been able to grow at 12 per cent, selling over 37,000 units in 2013-14. We have a target to sell 45,000 units in the current fiscal," Mehta added.