

Wheels India charts ₹85 crore capacity expansion

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TVS Group-promoted Wheels India Limited, a manufacturer of steel wheels, is planning to invest around Rs 85 crore to augment its capacity, which would help the company meet the growing export demand for its products.

Srivats Ram, managing director of Wheels India Limited, said 40 per cent of the proposed investment would go into creating new capacity for the manufacture of large aluminum wheels, tubeless truck wheels, among others.

The company would continue to leverage its presence in select overseas markets and is targeting to increase the contribution of exports to its total turnover.

"We hope to raise the share of exports to 25 per cent of our revenues in the coming years, up from the present 20 per

cent," Ram said.

On the company's second quarter performance of the present fiscal, he said, net profit improved to Rs 9.51 crore as against Rs 8.73 crore in the year-ago period. Revenues saw a 10 per cent growth during the quarter to Rs 516 crore, up from Rs 469 crore in the year-ago period.

According to him, the first half of the current fiscal witnessed an improvement in the commercial vehicle (CV) market, led by low base effect and a decent growth in the export markets.

On the market outlook, he said, while the company was expecting momentum in the export markets, it was cautious about the prospects of major segments in the domestic market.

"We hope that the second half of the year would be similar to the first half, with the fourth quarter sales making up for a sluggish third quarter," Ram said.