



## VECV eyeing Rs 600 cr expansion

**PREETI PARASHAR**  
Chandigarh

VE commercial vehicles (VECV), a 50-50 joint venture between Volvo group and Eicher Motors, is planning to pump in around Rs 600 crore into expansion this year. The company plans to set up an engine manufacturing plant and a paint shop at Pithampur by investing Rs 450 crore and Rs 140 crore respectively. Vinod Aggarwal, CEO, VECV, told **DAILY POST** that the company will supply engines to Volvo for its Europe operations.

"We will also produce engines for Volvo's non-automotive segment from this greenfield venture as well as engines

for Euro III and IV for Eicher trucks in India. The engine plant, with a capacity of producing 85,000-1,00,000 engines per annum, is likely to commence production by 2013," said Aggarwal.

He further added, "The paint shop is expected to be ready by mid-2012 and it will catalyse an investment of over Rs 140 crore. Last year we sold over 39,000 units in India and recorded a turnover of Rs 4,000 crore.

This year by December we expect sales to go upto 60,000 units. Till June we recorded sales 24,000 units with a growth of 27 per cent and expect the same growth rate by the end of this year."

VE commercial vehicles has also set up a regional competency development centre for training Eicher dealership personnel for north region at Rayat-Bahra VECV Automotive technology centre.

"We have two training centres at Ahmedabad and Mysore. The centre will churn out skilled professionals for industry. We aim to open another such centre in West Bengal by October this year," said Aggarwal.

In the near course, VE commercial vehicles plans to offer more innovative line-up of technologically advanced

and ergonomically aesthetic products. Volvo's widespread distribution network will facilitate the export of these products world over and will help VE commercial vehicles bolster its presence in more than 26 countries where it currently exports.

With an improved thrust on retail network development and after sales service, VE commercial vehicles will soon come to be recognized as a lean organization capable of setting new benchmarks in response times.

VE Commercial Vehicles has over 4,000 employees with a sales and support network that spreads across more than 200 points across the country.

The company's industrial base includes an integrated commercial vehicle factory in Pithampur producing Eicher trucks and buses along with factories in Thane and Dewas dedicated to manufacturing gear boxes and gear box assemblies.

VE commercial vehicles portfolio of commercial vehicles includes two product brands with different market positions yet complementing segment synergies.

preetiparashar@dailypostindia.com