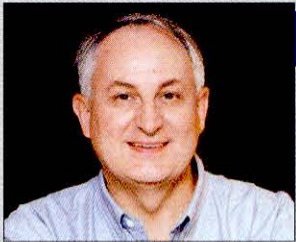


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Eicher Engineering targets Rs 500 crore turnover in three years

Abhishek Parekh
MUMBAI

Eicher Engineering Components, the component business of VE Commercial Vehicles (VECV) — the joint venture (JV) between Eicher and Volvo, is expecting major growth opportunities by catering to growing requirements of Volvo from developing country sourcing.

It is expecting around Rs 200 crore worth of business annually from meeting Volvo's global requirements, if opportunities pan out as planned.

'We are hoping to meet the requirements of Volvo for manual transmissions for its trucks and buses, which is a small volume business for Volvo running into five-eight thousand units

per annum or higher in their global scheme of things, but can add up to be a massive business for us,' Chief Executive, Eicher Engineering Components, VECV, PK Kapse said. He added that the initial due diligence and feedback from Volvo has been encouraging and sourcing requirements from the JV partner could be much higher than currently estimated.

'We will be starting with supplying manual gear boxes for trucks and buses which are used in many developing countries but it (partnership) will be an interesting one as we gain their confidence and migrate to higher technology within the transmission business and take up manufacturing of high-end systems and aggregates,' Kapse said.

The company, which notched



Crown wheels being assembled and inspected at Eicher Engineering's Thane facility

a turnover of around Rs 140 crore last year, is hoping to cross Rs 250 crore in turnover next year and is

hoping to cross Rs 500 crore over the next three years. 'We are currently under various stages of

approval and finalisation of business worth more than Rs 400-500 crore, and even if half of these materialise, we will meet our growth targets,' Kapse said.

The company already has the capacity to meet the upcoming domestic and export demand and has commenced production at its unit in SEZ near Pithampur, Madhya Pradesh, which alone could cater to potential business worth around Rs 700 crore.

Eicher Engineering Components, which was earlier known as Eicher Demm is now a part of VECV. It has facilities for manufacturing transmissions and aggregates for applications in commercial vehicles and farm equipment at Thane near Mumbai in addition to Dewas and Pithampur in Madhya Pradesh. **AV**