

VE COMMERCIAL VEHICLES

A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE

VE Commercial Vehicles Limited (VECV) is a 50-50 joint venture between the Volvo Group (Volvo) and Eicher Motors Limited (EML). It is a partnership that brings together Global leadership in technology, quality, safety & environmental care along with the deep knowledge & understanding of the Indian CV market. The vision of the JV is to be recognized as an industry leader driving modernization in commercial transportation in India and the developing world.

VECV has its Eicher commercial vehicle manufacturing unit in Pithampur industrial area, Madhya Pradesh. The first Eicher branded truck rolled out from its state of the art manufacturing plant in 1986 and over the years, the products have got endorsement from happy customers of over 400,000 vehicles. Eicher today has transformed itself into a complete CV manufacturer with a wide product range from 5t to 40t GVW trucks and 15 to 65 seater buses. The company's products strongly emphasize its customer orientation. Eicher vehicles are well known in the market for their overall low cost of ownership and the reason can be found in the 'Eicher advantages'. At the core of 'Eicher advantages' is the Eicher vehicle's high fuel efficiency.

Eicher has strong presence in the light and medium duty segment and its trucks have a proven superior performance especially with respect to fuel-efficiency. They have higher resale value and better operating economics leading to more profits to the customer. The Light and medium duty trucks come in variants of various wheelbases and payload options each intended to offer greater value to the customer based on his need and end use applications. The current “E2 PLUS” LMD truck series offers enhanced safety, comfort, aesthetics and reliability. Eicher is also the first CV maker to have launched a fuel efficient 14.5 T GVW truck. The Eicher 11.14 truck will carry forward the legacy of Eicher branded Light & Medium Duty Trucks. It will provide enhanced benefit to the 9-9.5 ton payload customers with its modern look, style and a host of value features. The new truck is the result of extensive research done by the company and is likely to be a “Game Changer” with its unique positioning and features. It will bridge the gap between the 12/13 T & 16 T segments.

In the Heavy duty segment, the company has gained market share with its “VE” series of Fuel Efficient heavy duty trucks. All Eicher trucks in the Heavy duty VE Series carry the inherent advantages accrued from the dual- parentage of Volvo and Eicher. Volvo's technology prowess, quality systems and advanced production processes are intrinsic to the design and manufacturing of these products and so is the fuel-efficiency edge that Eicher continues to champion. Moreover, with access to global expertise in testing and validation, it is ensured that all products of the VE series are engineered for superior performance, reliability and uncompromising durability. Eicher has also pioneered the 12 tyre segment in heavy duty trucks in India.

The product ranges of Eicher branded buses include company built buses under the Brand name Skyline & Starline and also Bus Chassis for customers to build buses as per their need. Skyline is a premium product offering which delivers to its customers superior aesthetics and seating comfort. Starline buses offer maximum value for the money that customer's pay. Eicher Buses have a strong presence amongst Educational Institutions. The Eicher School Bus was the first 'Safe' School Bus to be designed in the country in 1997 in conjunction with the IRTE (Institute of Road Traffic Association), Parent Bodies and IIT-Delhi. Eicher Buses & chassis are also making rapid inroads into the Staff, Tourist and Public Transport deployment where its products have been specifically designed and adapted to the specific needs of these segments.

Eicher also gained significant entry into State Transport Undertakings. It received significant orders from GSRTC and Andhra Pradesh State Road Transport Corporation which were successfully executed. Additional orders from Rajasthan State Transport Corporation, and Uttarakhand State Road Transport Corporation reflects the growing confidence of the State Transport Undertaking's on the Eicher brand.

Investment has also been earmarked for setting up of an Eicher bus manufacturing plant which will take the brand to the next level of growth trajectory.

Volvo Trucks in India is synonymous with the mining and the construction industries. Over the years Volvo Trucks has built up an elite customer base having over 100 vehicles in their fleet operating at various mining sites across India. The customers vouch by the high reliability and productivity and have expanded business operations at a fast pace with quick return on investments. Being the customer's best business partner, Volvo Trucks extend

support to customers' right through the life-cycle of the products with a wide network of service and parts centres and on site assistance. Volvo Trucks in 2010 launched the FH520 Powertronic Truck, "the most powerful and technologically advanced truck on the Indian road", in the over dimensional cargo (ODC) segment. The proven FH520 platform is powered by 520hp, 6-cylinder, and inline direct injection diesel engine, which keeps it way ahead of competition in terms of the lugging capacity. Volvo trucks also introduced its global truck FMX 440 in EXCON at Bangalore in November 2011. This truck is specially targeted at Construction and Mining applications. Volvo Trucks launched in October 2012 the innovative, all new Volvo FM480 10x4 Dump Truck in India, built specifically for deep opencast mining.

Keeping pace with the dynamics of the industry for over a decade and a half, this truck is an innovation that will set new benchmarks in the mining industry. Built on the powerful, reliable & proven Volvo FM13-litre platform, the FM480 10x4 Dump Truck is slated to be the next big 'Game Changer' in the mining application business. Volvo Trucks in India is the first truck manufacturer to introduce the European design, high performance trucks with the latest technologies. To provide an all-round solution Volvo Trucks in India pioneered the Driver Training concept in commercial vehicles segment. Today, there are over 30,000 drivers trained by Volvo, operating Volvo vehicles across the country for private as well as public transports. When it comes to maintaining a Volvo Truck as a true Volvo, Genuine Volvo Parts helps the truck retains its original properties throughout its lifetime. Complementing the trucks, Volvo Trucks offers a wide range of Service Agreements to help customers plan the maintenance. VECV has a wide service network across the states with service centres at all key locations.

As part of its commitment to after sales service, Eicher promise initiative has been launched to ensure enhanced service coverage for its "VE Series" of heavy duty trucks & buses which help in maximizing uptime and thereby better the operating economics for the operator. Besides "Eicher Promise" the other initiatives by Eicher to help increase the vehicle utilization leading to higher profitability include: Eicher freedom, mobile service camps, container workshops, Eicher on road service, cashless insurance in association with insurance companies and driving training programmes.

VE Powertrain facility has been set up which will be a global hub for meeting the medium-duty automotive engine requirements of Volvo globally for five- and eight-litre engines. The Euro 6-compliant diesel base engines will be supplied to Volvo Europe and the same platform will be adapted to Euro 3 and 4 engine (BS3/BS4) technologies to meet the VECV requirements and other Volvo group requirements for this type of engines in Asia.

The flagship plant for Eicher branded trucks and buses is known for its cost effective and lean manufacturing operations. The manufacturing process has already delivered customer satisfaction India no 1 position in initial quality. In recent years, this plant has been investing in a big way towards capacity expansion, enhancement of quality and introduction of new technology. A new paint shop was inaugurated at the Pithampur facility in November 2012. It will offer superior paint finish and deliver quality much superior to what we see in contemporary trucks in India. The top coat paint finish will be superior in terms of gloss, distinctness of image and corrosion resistance. Even UV protection will be two times more than the existing paint quality. The paint shop will have an initial capacity of 72,000 units scalable to 100,000 units per annum.

The other business areas of VECV include Eicher Engineering components and Eicher Engineering solutions. Eicher Engineering Components (EEC) is the automotive component division of VECV. Established in 1992, EEC has grown to become one of the largest and most well reputed gear manufacturers in India. Not only does EEC meet all the automotive component requirements of Eicher Trucks and Buses, it also manufactures differential gears, transmission gears and shafts for a large domestic and global clientele, both in the OEM and spare-parts segments. Besides, EEC also supplies gear boxes to industrial, agricultural and other segments in the United States and Canada.

EEC has four manufacturing plants, one at Thane (Maharashtra) and two at Dewas (Madhya Pradesh) manufacturing the complete range of gears, and one at Pithampur (Madhya Pradesh) manufacturing gear boxes. It is continuously developing new products and upgrading its technology, while increasing operational efficiency, to make sure that it gets the best products to the market at the most competitive rates.

Eicher Engineering Solutions (EES) is a global engineering service partner to OEM's and First Tier suppliers in ground transportation, aerospace, and consumer products. EES utilizes technical competencies and systematic design processes and combine sophisticated engineering tools in a streamlined process. With a staff of 250+ of highly experienced engineers and skill sets, EES provides rapid team response capability in the Americas, India, and China. Providing a variety of strategic services and engagement models that include alliances, captive engineering centers, as well as specialized engineering, design, and analysis resources deployed to the customer sites. EES brings Total Value: Global Design, Computer-Aided Engineering (CAE) / Finite Element Analysis (FEA), Prototype, Onsite Resource deployment, and IT / High-Performance Computing (HPC) solutions that complement business strategies, practices, and the vision of integrated global product development.

As part of its corporate social responsibility, VECV is a pioneering CV Manufacturer in India to have taken the lead meeting the skilled requirements of the automotive sector. The organization is establishing training centres across India on an Industry-Institute collaborative model and has established 4 automotive centres so far. With the setting up of these centres the company would be implementing a critical action point of the automotive Mission plan 2006 - 2016. VECV is also the only CV Manufacturer in India to have extensively conducted fuel conservation training Programme along with the Petroleum Conservation Research association. This Programme known as EFFECT-Eicher Fuel Efficiency Enhancement Training educates the learner on steps to conserve fuel and reduce atmospheric pollution.

In the near course, VECV will strengthen each of its product brands as leaders in their respective segments through innovative products and expansion of its existing network spanning the geographical expanse of the country. Volvo's widespread distribution network will also facilitate the export of these products to countries world-over and will help VECV bolster its presence in international markets.

VECV is jointly managed by Volvo and EML with shared management and equal representation rights on the board of directors.