



Despite the auto industry staring at a slowdown, Volvo Eicher Commercial Vehicles (VECV), a joint venture (JV) between Sweden's Volvo Group and homegrown Eicher Motors, have no plans to cut down production, rather it looks to nearly double their market share in the heavy truck segment in India and is ready to unveil a new range of products from February 2014.

Business Bureau Chief of *The Pioneer* Rakesh Bihari Jha, who visited the JV's plant in Pithampur (an industrial hub situated near Indore in Madhya Pradesh), reports that their new range of products would be launched over a period of 18

months starting February next year.

The auto industry is facing a slowdown but as we have a very strong balance sheet, we are in a

position to invest more and more into product development so that when the situation improves we will be able to take advantage of the market demand," said Eicher Motor Ltd MD & CEO Siddhartha Lal.

The company on Monday displayed 11 products in both the trucks and bus segments covering the entire 5 to 49 tonnes gross vehicle weight range. Bullish on the market, VECV CEO Vinod Aggarwal said, "We have invested Rs 1,800 crore in this plant which has transformed it into one of the most modern in whole of Asia. We will start launching all these products in the next 18 months starting February 2014."

These products would be launched under the "Pro Series" range.

The company, when it started functioning as a JV in 2008, had around 7 per cent to 8 per cent of market share, but now has around 13.8 per cent of the same in a span of five years. Talking further on the market share, Aggarwal said, "we have around 4-5 per cent of market share in the heavy duty truck segment and with this new range we will be able to grow beyond 10 per cent in the near future."

The company currently has 274 authorised dealerships and around 1,600 service stations across India which will take care of any problems faced by its customers on all days around the year.

Buses and trucks with gross

vehicle weight of 16 tonnes to 49 tonnes come under the heavy duty segment.

In this segment, the company's new Pro Series will offer five basic truck models with variants.

The new heavy duty range of trucks will be powered by a new generation engines adopted from the Volvo group technology with power capacity of 180-280 horse power.

The JV includes Eicher branded trucks and buses, VE Powertrain, Eicher's components and engineering design services businesses, and sales and distribution business of Volvo Trucks.

Asked about company's plans to expand production capacity, Aggarwal said, "we will be able to jack up capacity considerably as and when the market comes back. Capacity is not a constraint at all. Here in Pithampur we are ready to take the capacity to 1 lakh units per annum. Presently we are at 66,000 units per annum. So, it can be enhanced at a very small

incremental value."

VECV has already invested about ₹1,800 crore since 2008 on product development and infrastructure till

September 2013, and plans to invest the remaining amount of its committed ₹2,500 crore by end of next year.

He added that investment will go to meet requirement of ongoing projects like engine plant, bus body plant, new products and also for capacity expansion beyond 5,500 units per month to prepare for 2015 requirements.

The company, which exports its products to various countries including Nepal, Sri Lanka and Tanzania is also looking to tap other markets with its new range.

"We are already in discussions with our partner, Volvo, which has exhaustive presence in international markets. This new range would be relevant to markets like Indonesia and South Africa," Aggarwal said.

On the Sri Lankan market, where the company has a wholly-owned subsidiary, Lal said, "we are extremely bullish about Sri Lankan market. We will be launching the new range of trucks and buses in the country soon."

Eicher Motors recently reported a jump of 61.8 per cent in its second quarter net profit to 61.79 crore along with a jump of 66.23 per cent in revenue to ₹459 crore year on year basis. One of the key reasons for such a robust performance was the increase in overall market share in commercial vehicles through VE Commercial Vehicles.

