

# Soon ₹750 cr investment in auto sector

VE Commercial Vehicles Limited is setting up 3 plants in Pithampur, Dhar and Dewas

DNA Correspondent

The VE Commercial Vehicles Limited (VECV), a 50-50 joint venture between the Volvo group (Volvo) and Eicher Motors Limited (EML), would pump in more than ₹750 crore in three new plants coming shortly in Pithampur industrial area, Dhar and Dewas.

One of the three proposed plants, VE Powertrain facility at Pithampur, will be a global hub for medium-duty automotive engine requirements of Volvo for five- and eight-litre engines. These will be four- and six-cylinder diesel engines. The plant will go on stream in July 2013 and will have the capacity to manufacture 100,000 units per annum, company CEO Vinod Agrawal said.

He added that ₹500 crore would be invested in this unit. The company also did the ground breaking ceremony of the upcoming Eicher bus manufacturing plant at Dhar. This would have an investment of ₹125 crore in first phase and around ₹50 crore in the second phase.

The plant to be set up in an area of 51 acres would commence production by second quarter of 2013. It will have a capacity to produce 10,000 buses when fully operational. The multi-model bus manufacturing plant would produce light, medium and heavy duty



buses including the rear engine semi low floor buses catering to the requirements of the school, staff, city and intercity segments. This facility would be made functional by July 2013.

With our existing engine capacity of 60,000 units manufactured by Eicher for its trucks and buses, the total engine capacity will be 160,000 units by 2016-17, said Agrawal.

In addition to the existing gear manufacturing unit of Dewas, the company plans to establish its second similar unit with an investment of ₹80 crore and would be made operational by December this year. The CEO claimed that the proposed plants would boost automobile sector growth in the region with the establishment of ancillaries in a large number.

"The establishment of three new plants could generate initial employment of around 5,000 both in direct and indirect way," said Agrawal.

## MULTI-CRORE AUTO PROJECTS

These will be 4- and 6-cylinder diesel engines. The plant will go on stream in July 2013.

The bus manufacturing plant would produce light, medium and heavy duty buses.

The plant to be set up in an area of 51 acres would start production by 2013.

The establishment of three new plants could generate employment of around 5,000.

**The proposed plants would boost automobile sector growth in the region**  
—Vinod Agrawal, CEO