

# VECV to expand with ₹1,200 crore

**NEW DELHI:** VE Commercial Vehicles Ltd (VECV), a joint venture between Sweden's Volvo Group and homegrown Eicher Motors, will invest ₹1,200 crore by 2014 for expanding production capacity and developing new products.

In the meantime, the Indian partner will be launching Eicher branded trucks, developed using technology of the Swedish firm by the end of this year. "This year our production capacity of trucks and buses will be 6,500 units per month, up from 5,500 units last year. Our aim is to take it up to 8,000 units per month by 2015," said VECV Chief Executive Officer Vinod Aggarwal.

He said the company has 'an aspirational' target of achieving an annual capacity of 1 lakh units by 2015 but that would depend on market demand. The company is not looking for a fresh location and the planned expansion would be carried out at its existing plant at Pithampur in Madhya Pradesh.

When asked about the investment for the expansion, Aggarwal said, "From the beginning of the JV till 2012-end, the company has invested ₹1,300 crore and we will invest another ₹1,200 crore on ongoing projects like engine plant, bus body plant, new products and further capacity increase in 2013 and 2014 to meet the requirement for 2015."

VECV began opera-

tions in July 2008 and its business includes the complete range of Eicher trucks and buses, VE Powertrain, Eicher's components and engineering design services businesses as well as the sales and distribution business of Volvo trucks within India.



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Chief Executive Officer, VECV

Commenting on the progress of the new engine plant at Pithampur, Aggarwal, "It will become operational by July this year with an initial capacity of 25,000 units per annum. When fully mature by 2015-16, the plant will have a total capacity to produce 1 lakh units per annum."

Apart from meeting its domestic requirement, the plant will also export medium-duty automotive engine of five and eight-litre capacities to Volvo.

Aggarwal said Eicher branded trucks using Volvo technology in cabin, engine and other driveline would be launched by this year.

—PTI