
Volvo Buses India integrates with VECV

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Definitive Agreements have been signed for the integration of Volvo Buses India business into VECV. They will cover the manufacture, assembly, distribution, and sale of the Volvo Buses in India, and other rights forming part of the business.

Consequently, the bus manufacturing facility at Hosakote, Bengaluru, and all employees of Volvo Bus India (VBI) will be transferred to VECV. Volvo Bus India is currently a division of Volvo Group India Private Limited (VGIPL).

Speaking on the announcement, Siddhartha Lal, Chairman, VECV said, “This is a momentous occasion and testimony to a very strong relationship between Eicher Motors and Volvo Group. Over a period of time, the Volvo brand of buses in India has become synonymous with safety and comfort in both inter-city and intra-city public transportation, and we are extremely proud to have this iconic brand in our Joint Venture. With the integration of Volvo Buses India into VECV, we aim to shape the future of the Indian bus industry by offering the widest range of transport solutions to our customers.

Post the completion of the transaction, VECV and VBI will consolidate their bus businesses into a newly formed bus division within VECV. This division will offer Volvo and Eicher branded buses, and will maximize synergies to capitalize on market opportunities. This strategy will be extended to exports, wherein the new bus division will offer products and services that are complementary with Volvo Buses’ core product portfolio in selected international markets.

“We are pleased with this development of Volvo Buses in India and see this as an opportunity to further build upon the successful JV company – VECV. By consolidating the operations of Volvo Buses India into VECV, we aim to further develop our bus business and strengthen our position in the Indian bus market. The new bus division will offer a full range of modern buses covering customer needs for heavy, medium and light duty buses”, says Håkan Agnevall, President of Volvo Bus Corporation.

On the occasion, Vinod Aggarwal, Managing Director and CEO, VECV said “VECV’s strong presence in the Indian bus market with Eicher branded buses will be complemented by Volvo Buses’ prominent position in the premium bus segment. With this integration, VECV will be able to leverage synergies in the areas of product development, purchasing and manufacturing with access to Volvo Group’s world class

technology in buses.”

“The Volvo Bus is a flag bearer of the Volvo Brand in India and we expect going forward this will be re-inforced even further by our JV partner – VE Commercial Vehicles.” added Kamal Bali, President & MD VGIPL.

“Going forward, customers and partners can expect the same high level of customer care and world-class products from both Volvo and Eicher brands. The new division will also engage further in the dynamic Indian market driven by megatrends such as urbanization, e-mobility and connectivity,” says Akash Passey, Senior Vice President, Volvo Bus Corporation. Akash Passey will join as President designate of the newly formed VECV Bus Division. He will repatriate to India for this role and report to Vinod Aggarwal, MD & CEO VECV.

The transaction has no significant impact on the Volvo Group’s earnings or financial position.