

Eicher Motors forms equal joint venture with Polaris Industries

Will invest Rs.250 cr in the next three years to set up a manufacturing facility

NEW DELHI: Commercial vehicle maker Eicher Motors, on Tuesday, announced its entry into the personal vehicle segment by tying up with the U.S.-based Polaris Industries to form an equal joint venture, which will invest Rs.250 crore in the next three years to set up a manufacturing facility.

Personal vehicles

The JV is currently exploring a location in India to set up the plant to roll out "personal vehicles" by 2015 for the domestic as well as overseas markets.

"Currently, we are present in the commercial vehicle and

motorcycle categories. The collaboration with Polaris Industries will allow us to enter into a new vehicle segment," Eicher Motors Managing Director and CEO Siddhartha Lal said in a statement.

As per the definitive agreement, both the firms have formed a 50:50 joint venture to set up a greenfield project in the automotive sector.

"The joint venture company will design, develop, manufacture and sell a full new range of personal vehicles suitable for India and other emerging markets," Eicher Motors said without sharing other details.

"The overall investment in



Siddhartha Lal

the joint venture company over a three year period will be approximately Rs.250

crore. The projected financial outcomes from this venture meet the long term financial expectations of both the companies," the statement said.

According to the agreement, the JV will be governed by a board with equal representation from both the companies.

"At Eicher Motors, we are committed to exploring and pursuing opportunities for long-term profitable growth, and value creation for our stakeholders. This JV with Polaris is a strategic initiative towards that direction," Mr. Lal said.

The JV would bring together Eicher's expertise in frugal

engineering, lean business model and understanding of emerging markets along with product development capabilities and reliability of Polaris, he added.

Commenting on the partnership, Polaris Industries Chief Executive Officer Scott W. Wine said: "This agreement reinforces Polaris' position as a global leader, instantly expanding our presence in India and our access to additional emerging markets around the globe."

The JV would provide both the firms opportunities to develop new products and realise global growth, he added. — PTI