

Eicher, Polaris set up joint venture

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

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," said Siddhartha Lal, CEO and Managing Director, Eicher Motors in a statement.

As per of a 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 compa-

ny 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 manufacturing facility will be located in India and the JV partners are currently evaluating locations to set up the plant, which is expected to start production in 2015, it added. "The overall investment in the joint venture company over a three year

period will be approximately ₹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. The JV is an initiative towards that direction," he said. —PTI