

Eicher in pact with Polaris to enter new vehicle segment

fe Bureaus

New Delhi/Chennai, July 24: Eicher Motors on Tuesday said that it has signed a strategic joint venture (JV) agreement with the US-based Polaris Industries, a recognised leader in the powersports industry, to set up a greenfield project in the automotive sector.

The definitive agreement was signed between Siddhartha Lal, MD and CEO, Eicher Motors, and Scott Wine, CEO, Polaris Industries. This agreement envisages the creation of a JV company with a 50:50 partnership between the two companies.

The JV company will design, develop, manufacture and sell a full new range of personal vehicles suitable for India and other emerging markets. The manufacturing facility will be located in India and the JV partners are evaluating locations to set up the facility. The expected start of production is 2015. The JV will not manufacture any of the existing products of both the companies, but will work out on new products going forward, said an official.

Under the collaboration, the JV company will be governed by a board with equal representation from both the companies. The overall investment in the JV company over a three-year period will be approximately ₹250 crore. Lal, said: "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."

"We see a strong alignment of values and vision between Eicher Motors and Polaris Industries along with a capability set that complements each other very well. The JV company brings together Eicher's proven expertise in frugal engineering, lean business model and in-depth understanding of emerging markets with the excellent product development capabilities and world-class reliability of Polaris. This will ensure that the products, when launched, will set new benchmarks in optimal customer value," he added.



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Wine said, "Eicher's financial strength and rich history as a leader in the Indian market makes them the perfect partner for Polaris in India. This JV provides both companies incredible opportunities to develop new products and realise global growth."

Polaris had an annual 2011 sales of \$2.7 billion. It designs, engineers, manufactures and markets innovative, high quality off-road vehicles, including all-terrain vehicles.