Mahindra enters into Joint Venture with Ideal Motors for vehicle assembly in Sri Lanka

Auto

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- Mahindra to take 35% stake in the JV

- Partnership to create a win-win for both companies in the automotive space.

April 3, 2018, Colombo: Mahindra & Mahindra Ltd., a part of the USD 19 billion Mahindra Group based in India, entered into a joint venture last week with Ideal Motors Ltd., a fully owned subsidiary of the Ideal Group, to assembly automotive vehicles in Sri Lanka.

Mahindra will hold a 35% stake in the JV, while Ideal Motors will have a 65% stake. Ideal Motors has been a trusted Mahindra distributor for the last 9 years, and with this joint venture Mahindra will strengthen its presence in the country. The plant will be developed over the next one year under the expertise of the Mahindra team with and will incorporate global technologies.

Sanjay Jadhav, Vice President, Head of International Operations - AFS (South Asia), Mahindra & Mahindra Ltd, said, "Sri Lanka is one of

Mahindra's top three export markets, and today's announcement with Ideal Motors, builds the foundation for newer opportunities for both of us in the island nation. We have a strong vision for growth in Sri Lanka and this move is an integral part of that plan. The changes faced by the automotive industry today are triggered by the accelerated rise of new technologies, consumer needs and sustainability in policies, we see the need to anticipate new market trends, explore alternatives and build powerful synergies in this island nation."

Speaking on the occasion, **Nalin Welgama, Founder and Executive Chairman Ideal Group, said**, "In the sixties, the renowned late industrialist had the foresight to assemble automobiles through a licensing agreement from two major international manufacturers. Today, Ideal Motors is proud to be a pioneer in setting up the first automotive assembly in direct partnership with automobile, Mahindra. This Joint Venture will only build upon the wonderful relationship both companies have shared for nearly a decade. I am sure that the commitment and expertise of both Mahindra and Ideal Motors will lead to new horizons."

Mr. Welgama further added, "The new facility will not only contribute to human capital development, but will also enable collective development of local automotive components manufacturers to international standards under the global expertise of Mahindra. This is a leap forward for the Industry, adding value to the meaning of 'Made in Sri Lanka' and opening

broader opportunities for national growth"

Further he said " For all founders, going public is a momentous milestone that has to be experienced to be fully understood. It is the culmination of years of hard work and personal sacrifice. To me, it is the creation of a truly Sri Lankan car which is foremost".

Speaking on the occasion, **Aravinda de Silva, Deputy Chairman of the Ideal Group said**, "Ideal Motors is a customer-centric automotive company with the vision to be the ultimate choice for value based products and services, ensuring growth amidst tough competition. Today's strategic partnership represents a quantum leap for both companies as it will enable us to deliver products at affordable prices."

About Mahindra

The Mahindra Group is a USD 19 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities. It enjoys a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world's largest tractor company, by volume. It also enjoys a strong presence in agribusiness, aerospace, commercial vehicles, components, defence, logistics, real estate, renewable energy, speedboats and steel, amongst other businesses. Headquartered in India, Mahindra employs over 2,40,000 people across 100 countries.

Learn more about Mahindra on www.mahindra.com / Twitter and Facebook: @MahindraRise

Media contact information:

Mohan Nair

Vice President (Communications)

Mahindra & Mahindra Ltd.

Office Direct Line – + 91 22 28468510

Office Email Address – nair.mohan@mahindra.com

About Ideal Motors

IDEAL Motors (Pvt) Ltd. is a fully owned subsidiary company of the IDEAL Group which has core business interests in Motor Franchise Imports and Motor Spare Parts in Sri Lanka. Since November 2009, IDEAL Motors has been the Sole Authorized Distributor for Mahindra Motor Vehicles and Motor Cycles manufactured by Mahindra & Mahindra Company Ltd. India.

To date, Ideal Motors has sold over 65,000 Mahindra vehicles in Sri Lanka which is a unique achievement in such a short span of time. Ideal Motors have achieved a market share of over 50% in the Light Truck category, competing against major players who dominated the market for many decades. Ideal Motors represent Mahindra & Mahindra in Sri Lanka encompassing the entire range of Mahindra vehicles from a 2 Wheeler to Trucks, Buses, Earth masters and Generators, all except the farm tractor. They also represent Mahindra Holidays a world leader in the time share

space. Ideal Motors were also recognized by Mahindra as their best overseas dealer for 4 consecutive years for which they won several prestigious awards at the Mahindra Global Dealer conference last year. Ideal Motors also conducts numerous training programs across the country and has now officially established a fully-fledged automotive and management training school with NVQ level 4 certification.

Tags :

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