

## **Mahindra & Yueda Group Joint Venture in China to invest in Engine, R&D centre and manufacturing plant**



**(Foreground) Mr. Shao Yong, President Yueda Group and Mr. Anjanikumar Choudhari, President Farm Equipment Sector and Member of the Group Management Board, Mahindra & Mahindra at the signing ceremony.**

**(Background - L to R) Mr. Chen Yunhua, Chairman Yueda Group, Mr. Cao Youhu, Vice-Mayor, Yancheng City and Mr. Anand Mahindra Vice-Chairman & Managing Director, Mahindra Group applaud.**

**December 21, 2009, Mumbai:** Mahindra & Mahindra, Ltd., one of the world's top tractor brands, announced that its Joint Venture Company with Yueda Group, Mahindra Yueda (Yancheng) Tractor Company (MYYTCL), as envisaged would set up an R&D centre, manufacturing plant for engines, and make investments to modernize production facilities for tractors at the MYYTCL new plant site at Yancheng, China.

This announcement followed on the heels of a meeting between Mr. Anand Mahindra, Vice-Chairman and Managing Director, Mahindra Group, and Mr. Cao Youhu, Vice-Mayor of Yancheng City, and Mr. Chen Yunhua, Chairman of the Yueda Group, in Mumbai. Mahindra had acquired a majority stake in Yancheng Tractors last year, and the JV has since completed a year of successful operations.

The total investment is approximately US \$ 40 mn, out of which the engine R&D centre and manufacturing plant will have an investment of US \$18 million. This investment in the engine plant will provide reliable and fuel efficient engines for the China market, thus creating additional value for the customer and a competitive strategic advantage for Mahindra Tractors in China. The modernization of tractor plant will improve productivity and quality and consolidate the Yancheng manufacturing operations.

MYYTCL's effort to set up a R&D centre and engine facility and develop the tractor plant at the new industrial zone has been encouraged and supported by the Yancheng Government.



**Mahindra**

**Mr. Anand Mahindra, Vice Chairman and Managing Director, Mahindra Group,** said, " I am pleased to see the high level of commitment of MYYTCL to bring superior products for the Chinese customers, which is being reinforced by the investment decisions taken by the two Partners. Fuel efficient and reliable engine technology will help to lower emissions and carbon footprint. I compliment the Yancheng City Government and Yancheng Economic Development Zone in encouraging industry and supporting MYYTCL and the investment in research initiatives."

**Mr. Chen Yunhua, Chairman, Yueda Group,** said, "I am impressed by Mahindra & Mahindra's business & people processes and technology capabilities. I am happy to note the significant progress made by MYYTCL in its first year of operations. This is enabled by the complementary strengths of the two JV Partners. Yueda Group's business in China is growing profitably. We are confident that MYYTCL will be a significant participant in the huge China agricultural machinery market".

**Mr. Anjanikumar Choudhari, President, Farm Equipment Sector, Mahindra & Mahindra Ltd. added,** "As was envisaged for the JV, the investments in the R&D centre, engine plant and modernization of tractor manufacturing facilities will help us to produce tractors with improved performance, quality and reliability. These measures along with our efforts to build a better Sales and Service infrastructure will help MYYTCL improve its tractor sales in China and in the Export market.

#### **About the Yueda Group**

The Yueda Group is one of the top 100 business groups in the People's Republic of China. The Group has a turnover of 7.3 Billion USD and has a presence in various sectors of the Chinese economy including automobiles and tractors, coal and mining, infrastructure and real estate, textiles and garments, hotels and supermarkets. Over the last 29 years, Yueda has established itself as an International Group with partnerships and joint ventures with reputed international companies like Kia Motors from Korea, French supermarket major Carrefour, Triumph from Germany, and Fuji, a heavy construction machinery giant from Japan. The group employs more than 30,000 people.

#### **About the Farm Equipment Sector**

Mahindra's Farm Equipment Sector is one of the world's top tractor brands and has been the undisputed market leader in India for 25 years. It is also the only tractor company to win the Deming Application Prize and the Japan Quality Medal, two of the highest quality accolades that can be won by any organization.

The Sector has also found significant success in the international market. Mahindra (China) Tractor Co. Ltd. manufactures tractors for the growing Chinese market and exports tractors to the USA and other western nations. M&M has a 100% subsidiary, Mahindra USA, with 3 assembly plants catering to the American market. Today, the 'Mahindra' tractor has come to be recognised as a powerful symbol of productivity and performance.

In 2006, the Sector achieved a new milestone with the launch of the Shaan, India's first multi-utility tractor. In 2007, the company won the AE50 Outstanding Innovation Award 2007 from the American Society for Engineering in Agricultural, Food, and Biological Systems, for the Shaan.

In 2008, Mahindra USA was rated highest in Overall Satisfaction amongst tractor manufacturers in a survey conducted by the North American Equipment Dealers Association (NAEDA) – the apex dealer association in the USA.

Mahindra Tractors also recently featured in the top 10 list of most innovative Indian companies compiled by the Wall Street Journal as part of its survey to determine Asia's 200 most-admired and innovative companies.

#### **About Mahindra & Mahindra**

Mahindra embarked on its journey in 1945 by assembling the Willys Jeep in India and is now a US \$6.3 billion Indian multinational. It employs over 1,00,000 people across the globe and enjoys a leadership position in utility vehicles, tractors and information technology, with a significant and growing presence in financial services, tourism, infrastructure development, trade and logistics. The Mahindra Group today is an embodiment of global excellence and enjoys a strong corporate brand image.



Mahindra is the only Indian company among the top tractor brands in the world and has made an entry in the two-wheeler segment, which will see the company emerge as a full-range player with a presence in almost every segment of the automobile industry.

The Mahindra Group expanded its IT portfolio when Tech Mahindra acquired the leading global business and information technology services company, Satyam Computer Services. The company is now known as Mahindra Satyam.

Mahindra's Farm Equipment Sector is the proud recipient of the Japan Quality Medal, the only tractor company worldwide to be bestowed this honour. It also holds the distinction of being the only tractor company worldwide to win the Deming Prize. The US based Reputation Institute ranked Mahindra among the top 10 Indian companies in its Global 200: The World's Best Corporate Reputations list.

Mahindra is also one of the few Indian companies to receive an A+ GRI checked rating for its first Sustainability Report for the year 2007-08 and has also received the A+ GRI rating for the year 2008-09.

**For further information, please contact:**

**Roma Balwani**

Sr. VP & Head - Corporate Communications

Mahindra & Mahindra Ltd.

Mumbai, India

Phone: (+91-22) 2497 5176

Email: [balwani.roma@mahindra.com](mailto:balwani.roma@mahindra.com)