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Force Motors, Rolls Royce in engine JV

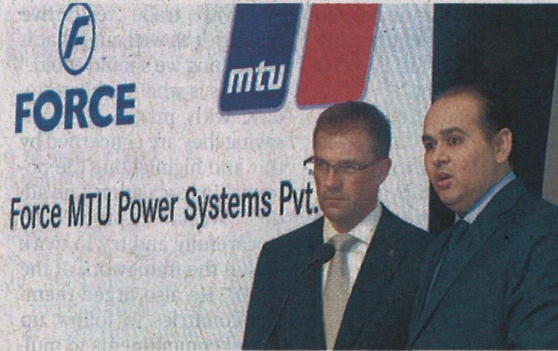
BMW's luxury unit cites costs for shifting production facility to India; venture to invest ₹300 crore

SPECIAL CORRESPONDENT
MUMBAI

Rolls-Royce Power Systems, a part of BMW's Rolls-Royce Group, has signed a joint venture (JV) agreement with Pune-based Force Motors for production and supply of its high powered MTU 1600 series diesel engines that will cater to the German major's global requirements.

The company has decided to relocate its MTU 1600 series engines and power generator manufacturing unit from Germany due to cost reasons. India will now be its global manufacturing hub for this series of engines through the JV.

Force Motors will hold 51% in the venture, which will be named Force MTU Power Systems Pvt. Ltd. and will produce MTU's 10 and 12



Power venture: Andreas Schell, left, and Prasan Firodia, in Mumbai on Tuesday. ■ PAUL NORONHA

cylinder Series 1600 units with power output from 545 to 1050 HP (400 to 800 kWm). MTU is a brand of Rolls-Royce Power Systems.

The plant and machinery will shift to India from Germany while the JV will employ about 200 Indian em-

ployees who will be trained in Germany to manufacture the engines as per Rolls-Royce's standards and specifications.

The facility, scheduled to start production in the third quarter of 2019, will see investment of ₹300 crore in

the first phase. The company declined to reveal the production capacity. In Germany, the unit had been rolling out 2,000 engines a year.

'Generator sets included' Series 1600 engines are suitable for power generation and passenger rail applications. Besides manufacturing the Series 1600 units, the JV will also build Series 1600 generator sets.

The JV will handle sales and service of Series 1600 generator sets for end users in India, Nepal and Sri Lanka, while Rolls-Royce Power Systems will handle sales and service in the rest of the world.

"We are changing our strategy from deliver to India to 'Make in India'. In Force Motors, we have found a reliable

partner whose excellent production quality is proven by decades of experience in building engines for premium automotive brands," Andreas Schell, president and CEO, Rolls-Royce Power Systems said.

"Once serial production capabilities for 1600 units have been established within the joint venture, we will have opportunities to add other applications, engines and power systems to the JV portfolio."

Prasan Firodia, MD, Force Motors, said, "Rolls-Royce Power Systems has chosen to partner with us not only for production of engines but also for production and engineering of the whole genset system. This... comes after our successful cooperation with Mercedes and BMW."