



HM relying on new generation Ambassadors to revive its fortunes

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The iconic Ambassador car which ruled the Indian roads for decades but gave up its leadership to newer more modern cars, is getting ready for the new Avatar.

Auto major Hindustan Motors, that produces Ambassador cars, is banking on the next generation Ambassadors to restore its image.

NDTV has learnt that Hindustan Motors plans to launch 6-7 new products in the next 12-18 months right from Ambassadors to LCVs to Mitsubishi brand of cars.

The plan is to launch the 3-4 different body styles of Ambassador catering to the different class of buyers from the youth, to the families and its traditional institutional buyers.

Sources say these next gen ambassadors will come with new engines ranging from 1.5- 2 litre and the new gearboxes.

In fact, the company is working on a sub-4 meter Ambassador to gain from the excise benefit.

The company also intends to enter the fast growing sub-one tonne truck market and is reopening its Indore plant which was shut for three to four years.

Hindustan Motors on Thursday launched premium sedan EVO10 and is also banking on new launches to double sales to over 35,000 units in the next 12-18 months.

"We aim to double the sales of our Ambassador model to 24,000 from the present 12,000 per annum in the next 15-18 months. We will launch six new variants in the next 12-15 months and this will help increase our sales," Hindustan Motors' Managing Director Manoj Jha said, adding among the six, four variants would be of the Ambassador.

The company's Ambassador is one of oldest passenger car in the country and is manufactured at the company's Uttarpara facility in West Bengal.

Hindustan Motors has a technical tie-up with Mitsubishi Motors. The company's facility in Chennai manufactures Mitsubishi's Lancer and Pajero vehicles.

The company's Tamil Nadu plant assembles Mitsubishi's Outlander sport utility vehicle. Hindustan Motors' manufacturing facilities are situated in Madhya Pradesh, Tamil Nadu and West Bengal.

While new models will definitely add to the revenues of the company but it is the bread and butter Ambassador range of cars which will bring in profits. In fact, it is aiming to breakeven and make profits in the next 12-18 months.

Experts say with so many different options available, it will be tough for Hindustan Motors to make a comeback. While the talks of stake sale goes around thick and fast, Hindustan Motors said it is in touch with its partner Mitsubishi Motors on the same but nothing is finalised yet and it has also ruled out contract manufacturing despite utilisation levels being low at 25-30 per cent.

HM is aiming to increase the utilisation to over 70 per cent and hoping that the new generation Amby's goes down well with the masses.

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