

HM to build Isuzu vehicles in India, Zig wheels, June 28

Isuzu has signed an agreement with Hindustan Motors to contract-manufacture its MU-7 SUV and D-MAX pickup trucks in India.

Isuzu Motors India has signed an agreement with Hindustan Motors (HM) for contract manufacturing of the former's SUVs and pickup trucks in India. As per the pact, the components for producing these vehicles will be imported by Isuzu from Thailand and assembled in HM's factory at Thiruvallur, near Chennai, Tamil Nadu.

Isuzu's India-line-up comprises two vehicles – MU7 SUV and DMAX pick-up truck – which were launched in Coimbatore and Hyderabad in March this year and priced at Rs 24.17 lakh and Rs 8.10 lakh (ex-showroom, Hyderabad) respectively.

Currently, both vehicles are imported through the CBU channel from Thailand and have received "positive feedback" from the market as per Isuzu Motors India President Takashi Kikuchi. However, the company eventually plans to produce them at its upcoming facility in Andhra Pradesh which is expected to be functional by early 2016.



By tying up with HM, Isuzu aims to accelerate its sales operations to other parts of India, starting with the southern region. "The collaboration with Hindustan Motors will support us by carrying out assembly of our products at Thiruvallur which is about 70kms from Sri City, Andhra Pradesh, where our own local manufacturing facility is planned to come up," said Kikuchi. "We can thereby advance the scope of our sales operations and increase the scale of supply volumes without waiting for our local manufacturing facility to be ready." Related: Isuzu signs MoU for start of LCV

operations in India.

This isn't the first time Isuzu and HM have partnered together and their relationship dates back to the days when Isuzu supplied its engine to HM for use on the Contessa and later the Ambassador. "Hindustan Motors and Isuzu have enjoyed good historical relationship, and know each other as business partners very well. The Thiruvallur facility is one of the best automotive manufacturing facilities in India, and can meet the high quality standards of Isuzu Motors," said Kikuchi.

Commenting on the development, Uttam Bose, Managing Director & CEO, Hindustan Motors, flagship of the C K Birla Group, stated, "Our agreement for contract manufacturing of Isuzu's globally renowned vehicles is a testimony to the state-of-the-art manufacturing facilities at our Thiruvallur plant. The operations will enable HML to optimally utilise its spare capacity at Thiruvallur and make eminent business sense at a time when the Indian economy and the automobile industry, in particular, are passing through testing times. Today's agreement with Isuzu is a strategic move to keep Hindustan Motors on the growth path."

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