

HM open to talks with other auto-makers for Chennai plant, Mydigitalfc, January 15

C K Birla group company Hindustan Motors (HM) is open to talks with other auto-makers for utilising the surplus capacity at its Chennai plant which was demerged recently, a top company official has said.

"We are open to talks with other automakers as we have substantial capacity at the Chennai plant," HM Managing Director and CEO Uttam Bose told reporters last night.

"After the de-merger, HM will particularly focus on the SUV segment," Bose said.

The Chennai plant was built by HM to manufacture Mitsubishi's sedan Lancer. HM entered into a technical collaboration with the Japanese car maker in this regard.

Bose said "capacity at the Chennai facility is 24,000 units per annum".

At present, the plant was selling nearly 2,000 units of SUVs, namely Pajero and Outlander.

"The company would gradually pull out from the premium sedan segment and focus on SUVs instead," he said.

When asked, Bose said that the Chennai plant was making profits, adding that the Uttarpara plant in West Bengal which manufactures the traditional Ambassador car would break even by March this year.

He said that this would be made possible by increasing margins and reducing costs. HM plans to sell around 5,000 units of cars and SUV during the current fiscal.

The company entered into an arrangement with lube maker Raaj Unocal Lubricants for selling co-branded oils for HM vehicles.

HM demerged the Chennai plant and transferred to its subsidiary HM Finance Corporation.

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