

Hindustan Motors plans to produce compact SUV soon, WebIndia123, January 15

With a view to meeting the fast growing market demand, Hindustan Motors (HM), the manufacturer of iconic Ambassador car, has decided to produce a diverse range of Sports Utility Vehicle(SUV) soon in association with its partner since 1998 and leading Japanese car manufacturer "Mitsubishi". This was stated by Hindustan Motors Managing Director and Chief Executive Officer(CEO) Uttam Bose while talking to reporters here last night on the sidelines of a programme to announce the multi-million dollar C K Birla Group company's decision to join hands with leading car lubricant manufacturer "Raaj Unocal Lubricants Limited" of Faridabad for supplying engine oil and lubricants for the HM manufactured cars. Claiming that a number of steps had been initiated by HM for a gradual turnaround of business, Mr Bose said since the demand for SUV in India had been growing phenomenally during the last few years, particularly among the young wealthy generation, the time had come to explore the opportunity. "Keeping this growing demand for such all terrain vehicles in mind we have also decided to go in for the production of compact SUVs in HM's Chennai plant soon", he said.

On whether the company was also considering to produce the new SUVs at HM 's other plant at Hind Motor in Hooghly district of West Bengal, where the iconic Ambassador cars were being manufactured, Mr Bose replied in the negative. When his attention was drawn to the present financial condition of HM and the depleting popularity of Ambassador car among the country's automobile lovers, Mr Bose claimed that in spite of that as many as 400 to 500 Ambassadors were being sold every month.

For instance, he said, last month nearly 700 Ambassadors were sold and they hope to sale similar number of the iconic cars of 1500 and 2000 cc diesel and 1800 cc petrol and CNG variants during this January and the coming months also. In terms of the overall production of HM in its Hind Motor and Chennai plants where currently a number of Mitsubishi branded cars like Lancer, Pajero, Cedia, Montero and Outlanders were being produced, the MD said by March 31, 2013 as many as 5,000 odd cars would be rolled out from both these plants in one year. Of them about 3,000 odd cars would be Ambassador alone, he added. Asked about the financial stringencies of the company leading to large scale slashing down of employees at both the Chennai and Hind Mtor plants in recent years, Mr Bose said all out efforts were being made for a huge turnaround within the next one or two years when the company was expected to be in blue once again . "Please note that in Chennai we have earned a marginal Profit Before Tax(PBT)during the current fiscal itself in spite of the recent de- merger efforts", he boasted. On his investment plan both for the possible turnaround and for diversifying into the production of SUV Mr Bose said a CAGR amount of Rs 35 Crore was expected to pumped in soon.

To another query, he said in order to return to the path of profitability, the company management had emphasized on three things- drastic cutting down of expenses, increase the production, and bring down the cost to remain highly competitive in the domestic auto market. Earlier, speaking about the agreement with HM, Mr Alok Rajgarhia, Managing Director RULL said initially they were expected to sell about 45,000 litres of the new lubricant

every month to about 45,000 odd taxies in the city." If the market grows satisfactorily we might also consider to set up out second unit in West Bengal in the coming years. Till them we would bring the entire product from our Faridabad plant in Haryana", he said. UNI ABA SD RD RD1113 NNNN.

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