

Hindustan Motors plans refurbished Amby and Amby CS for 2013, IndianAutosBlog, January 18

Hindustan Motors, despite being an Indian company, may not be as popular as say Maruti Suzuki, Ford or Nissan. But the fact is that this dinosaur of yesteryear can be credited for introducing India to four wheels.



The HM Ambassador, a re-designed Morris Oxford, was one of the first cars that became a part of India's landscape.

However, Hindustan Motors was no match to the ambitions of the giants such as Maruti Suzuki, Tata and Hyundai. Sure, there were brief periods of success thanks to their partnership with Mitsubishi but lack of

products and limited brand exposure meant Gen Y would not even know the name of Hindustan Motors, forget the legacy.

However, it seems that the winds of change are finally blowing in their direction.

The board of directors of HM had a meeting on January 10, 2013 to consider restructuring of the company. Three results came out of the meeting –

The company decided to demerge and transfer its Chennai Car Plant to its fully owned subsidiary Hindustan Motor Finance Corporation Limited (HMFCL). This plant is responsible for manufacturing/assembling Mitsubishi products such as Pajero SFX, Cedia, Montero, Outlander, Lancer Evolution and Pajero Sport.

Hindustan Motors will take control of the Uttarpara plant in West Bengal and Pithampur plant in Indore, Madhya Pradesh. These plants are responsible for HM products such as Ambassador cars and light commercial vehicles such as Winner.

And an MoU was signed with Raaj Unocal Lubricants (RULL) for the manufacture and marketing of co-branded oils exclusively for HM vehicles.

The most interesting point is definitely the first one.

The demerger of the plant means HM can pursue its growth strategy with Mitsubishi in a much focused manner. The Japanese automaker immediately announced that it will launch a new Mitsubishi SUV after March 2013. There is a very good chance that HM is talking about the next generation Outlander.

HM-Mitsubishi will only focus on the SUV market from here on as it is their core competence. The automaker pulled the plug on the Cedia and Lancer sedans two months back to focus on SUVs.

Hindustan Motors is also in talks with automobile multinationals to get them to outsource some of their manufacturing to the Chennai plant. The current plant capacity is 24,000 units of which the company is using just 10-12 %. Lots of idle space there!

The automaker is on the heels of launching a two versions of the Ambassador – a sub 4 meter version and a revamped version with modern features like ABS, EBD, reworked readouts, new steering wheel and leather seats.

But the real question is – In today's world of Volkswagens, Nissans and Hyundais, will Indian consumer will go back and trust HM?

<http://indianautosblog.com/2013/01/hindustan-motors-restructuring-ambassador-cs60723>