

## **HM revival hinges on 4 new Amby variants: MD**

Nov 18 2010

Hindustan Motors (HM), the maker of iconic Ambassador car plans to introduce four new variants of the car that was once the favourite of India's politicians and IAS community.

The Birla group company hopes the new variants will help it more than double the production of the car in the next 15 to 18 months.

The new models are crucial to the company's plan to turn profitable by the end of this financial year by boosting revenues and increased operational efficiency leading to lower costs. "We aim to double sales and output of the Ambassador model to 2,300 a month in the next 15-18 months from around 1,000 per month," Manoj Jha, managing director of Hindustan Motors told reporters on the sidelines of launch of Mitsubishi Lancer Evolution X in Mumbai.

The Ambassador (Amby), one of the country's oldest passenger sedans, is made at Hindustan Motors' Uttarpara plant in West Bengal. The increase in production would result in rise in capacity utilisation to around 70-75 per cent from around 25-30 per cent now.

Jha further said the sales of Ambassadors are looking up and the company expects to sell 10,000 units this financial year compared to 8,000 cars sold in 2009-10. "A further rise in sales will be led by the four new variants," he added.

Apart from change in design, the new variants of Ambassador will sport a new gearbox and powerful engines of either 1.5 litre or two litre engine capacity, said Jha. "The sales to government departments are going down and retail sales are looking up. Our focus is now to grow more on the retail side," said Jha.

The company expect to sell 75 per cent Ambys to retail customers and reduce institutional contribution to 25 per cent of total volumes over the next two years. HM, therefore, plans to double its dealer network to 280 in two years.

“We have hired consultants, who are advising us on various aspects such as operational improvement, cost and delivery management,” he added. Jha, however, declined to disclose the name of consultants.

Jha also said the company will raise the monthly output of its small truck, Winner, from 100 units per month to 1,000 units per month by March 2011 from its factory in Indore, in Madhya Pradesh. The unit has been almost unutilised since past three years since the company stopped producing mini-bus type vehicle, RTV (road trusted vehicle).

Jha on Thursday said the company hopes to gainfully utilise spare capacity by assembling variants of Mitsubishi sedans and SUVs.

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