



(left) Mr Gautam Singhania, Chairman and Managing Director, Raymond's, looks at a new Lancer Evolution car with Mr Manoj Jha, Managing Director, Hindustan Motors, at Autocar Performance Show 2010 in Mumbai on Thursday. — Shashi Ashiwal

## HM in talks with European vendors for small car

### To roll out smaller Ambassador

**Manu P. Toms**

Mumbai, Nov. 18

C.K. Birla Group's Hindustan Motors is planning to launch a new small car with design and technological inputs from European partners.

A company source said that the company is in talks with four or five European vendors for the design, technology and engines for the new car.

The company is also launching a smaller and cheaper version of its flagship product Ambassador. The length of the new car will be less than 4 m so that it will attract less excise duty. "The car will be substantially cheaper than the existing variants which are priced around Rs 5 lakh. However, it will not compete with Maruti Alto or Nano. It will be in a slightly higher price range," said the source.

Mr Manoj Jha, Managing Director, Hindustan Motors, said that four new variants of Ambassador will come in next 16-18 months. "Our target is to double the sales to around 2,300 units per month," he said. The car will

have variants which will target families and youth, he said.

The struggling company had reported a Rs 51-crore loss last fiscal and turned to Board for Industrial and Financial Reconstruction. Mr Jha said that the company sees a revival of fortune as it expects a 35-40 per cent increase in revenue this fiscal.

The company is striving to improve capacity utilisation at its forging and casting units and passenger car plant in Uttarpara near Kolkata. The company aims at 70 per cent capacity utilisation of its passenger car plant next fiscal. Mr Jha said in tandem with the expansion of the product portfolio, the company plans to double its car dealerships to 140 in two years.

The new dealerships will mainly be in Tier 2 and Tier 3 cities. Mr Jha also said the company is reviving its commercial vehicle plant in Indore. It plans to launch two small commercial vehicles in the sub-one tonne category besides the existing LCV Winner.

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