

Hind Motors to launch Ambassador variants

Indrani Dutta

KOLKATA: As part of a revival strategy drawn up by C. K. Birla-controlled Hindustan Motors, the company is planning to launch four variants of its flagship product Ambassador, while also looking at launching a new 'parallel' brand.

Managing Director Manoj Jha said here at a press meet that simultaneously the company was also in talks with Mitsubishi Motors for jacking up the capacity utilisation at the Chennai plant where nearly 75 per cent of capacity was idling. "Contract manufacturing is also an option," he said.

Pointing that the company is targeting to double its personal car sales to 50 per cent by December 2011, Mr. Jha said that while the launch of the variants would be staggered, the first one would be ready by April 2011.

Mr. Jha replaced R. Santhanam as the Managing Director in May this year.

Hindustan Motors, which has had to make a mandatory reference to the BIFR (Board for Industrial and Financial Reconstruction) following erosion of 50 per cent of its net worth "has reached a point of inflection," Mr. Jha said adding that by March 2011, it hoped to turn cash-positive. "All the verticals at Uttarpara in West Bengal, Chennai in Tamil Nadu and Indore in Madhya Pradesh will be at the cash-positive

• **Hopes to turn cash-positive in March next**

• **To double personal car sales to 50 % by 2011**

level". He said that Rs.40 crore cash had been generated through intra-group sale of the Chennai office premise and a part of the 49 per cent equity held by HML in group company Avtec. While Rs.40 crore had been invested in the Uttarpara plant since 2007, around Rs.15 crore was invested this year.

On the new brand that may be launched, Mr. Jha said that the new car would be ready to be rolled out by January 2012 and its interior and exterior would be different from the Ambassador. "We are trying to increase our presence in the personal car segment to increase market share and mind-space." Indicating that the launch will be a niche-market product, the MD said that the company was not in the race for a mass-manufacturing car.

The designing was being done by domestic and overseas designers.

He said that the key drivers (dealerships, variants and customer base) of the revival strategy were increasing while optimising the system and jacking up the component business.

On the Chennai plant, Mr.

Jha said that at present only a quarter of the capacity was being utilised and HML hoped to have "some clarity" by March 2011 on whether the idling capacity would be used to produce more Mitsubishi cars or whether contract-manufacturing would begin here.

HM-Mitsubishi's growth strategy

P. Narasimhan writes from Chennai:

HM-Mitsubishi, the technical collaboration between Hindustan Motors and Mitsubishi Motor Corp. of Japan, as part of its growth strategy, is planning to launch latest models of Pajero Sports vehicle in the next financial year, according to Y. V. S. Vijay Kumar, Executive Vice-President and Head of Mitsubishi business at HML.

Addressing presspersons here on Thursday, he said Pajero Sports would be priced around Rs.20-22 lakh and would be a real growth driver of the company. The company was also evaluating to introduce Outlander Sports in the coming years. It would be a smaller vehicle than the present Outlander and would be in the price range of Rs.15-17 lakh, he said.

He said there was huge potential in Tier-II cities that would give substantial fillip to the company's products.

HM-Mitsubishi's manufacturing facility for the Mitsubishi range of cars is located at Thiruvallur near Chennai.