

Hindustan Motors to Contract-manufacture SUVs and Pickup Trucks for Isuzu Motors in India, Equity Bulls, June 30

Isuzu Motors India Private Limited, a subsidiary of Isuzu Motors Limited, Japan, has signed an agreement with Hindustan Motors Limited (HML) for contract manufacturing of Isuzu SUVs and pickup trucks in India. The components for producing these vehicles will be imported by Isuzu Motors from Thailand and assembled in HML's factory at Thiruvallur, near Chennai, Tamil Nadu.

Mr. Takashi Kikuchi, President, Isuzu Motors India Private Limited, said, "We are very confident about the growth prospects of the SUV and LCV market in India, notwithstanding the current slowdown. We are also very happy with the positive feedback of the market to our MU7 SUV and DMAX pickup truck, which we launched in Coimbatore and Hyderabad in March this year by importing these as CBUs from Thailand. We would now like to accelerate and carry forward this positive momentum and expand our sales operations in other parts of India, starting with the Southern region. The collaboration with Hindustan Motors will support us by carrying out assembly of our products at Thiruvallur which is about 70 kms from Sri City, Andhra Pradesh, where our own local manufacturing facility is planned to come up. We can thereby advance the scope of our sales operations and increase the scale of supply volumes without waiting for our local manufacturing facility to be ready.

"Hindustan Motors Limited and Isuzu Motors have enjoyed good historical relationship, and know each other as business partners very well. The Thiruvallur facility is one of the best automotive manufacturing facilities in India, and can meet the high quality standards of Isuzu Motors," Mr Kikuchi added.

Commenting on the development, Mr. Uttam Bose, Managing Director & CEO, Hindustan Motors Ltd., flagship of the C K Birla Group, stated, "Our agreement for contract manufacturing of Isuzu's globally renowned vehicles is a testimony to the state-of-the-art manufacturing facilities at our Thiruvallur plant. The operations will enable HML to optimally utilize its spare capacity at Thiruvallur and make eminent business sense at a time when the Indian economy and the automobile industry, in particular, are passing through testing times. Today's agreement with Isuzu is a strategic move to keep Hindustan Motors on the growth path."

Shares of Hindustan Motors Ltd was last trading in BSE at Rs.7.65, up by Rs.0.08 or 1.06%. The stock hit an intraday high of Rs.7.85 and low of Rs.7.48.

The total traded quantity was 0.86 lakhs compared to 2 week average of 0.82 lakhs.

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