

## **Hindustan Motors to double Ambassador sales in next one-year**

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Hindustan Motors (HM) has roped in Pune-based design firm Onio Design for giving a new look to its iconic car Ambassador. The first variant would be ready by December. It may be noted that HM introduced 'original' wheels of India, Ambassador in 1958, followed by not so spoken about Contessa in 1984.

According to the Economic Times, the exercise is part of a strategy to revitalise HM which was on the brink to refer to BIFR following 90% networth erosion in the first quarter of this fiscal. HM managing director Manoj Jha said that Onio Design is working on the styling of Amby along with a core team of HM. "The first prototype will be ready by December this year. The first new look Amby will be commercially launched in first quarter of 2011-12. We can say that it would be a better proposition. Our aim to broadening the target audience is by offering Amby in different variants. The new variant will be rolled out from Uttarpara."

"All the new variants of the Ambassador will be available with an engine size ranging between 1500 cc to 2000 cc," he said

On the Chennai facility, he said that now the capacity utilisation is around 40% but it would rise as Mitsubishi is planning to introduce more variants in India. It is also looking at better capacity utilisation in component business. He also said in the previous fiscal, the company had sold 8,000 units of the Ambassador, while it expects the sales to cross 10,000 units this fiscal.

"The company is mulling options to manufacture a hatchback car in the coming months. However, the manufacture of the car will be based mainly on the feedback from customers and we will introduce a totally new variant of ambassador, the design of which is being done by a Pune based company," Jha said.

Hindustan Motors, which had launched the diesel and CNG variants of its light commercial vehicle (LCV), Winner XD, will also manufacture two tonne payload capacity LCVs in the coming months.

"We are looking for a pan India presence with the introduction of the new variants. By next year we plan to double the number of dealers," Jha said.

Brushing aside concerns over the Rs.70 crore debts that the company has already run up, Jha maintained that for a company of HM's size, the debt figure was "nothing catastrophic".

"If the current trend of increase in price of raw materials continues, HM will be forced to pass on the cost to the customers. In October this year, the company has already increased the price of its cars between Rs.2,000 and Rs 3,000," added Jha.

Sougat Sen, senior director SIAM, said: "The car makers were being hit by rising input prices. However, there has been no corresponding increase in the price of cars which made it all the more difficult for them to sustain it."

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