

Forex reserves jump to \$293.37 billion

Foreign exchange reserves rose for the second consecutive week, going up by \$1.05 billion to \$293.37 billion on a rise in core currency assets, the Reserve Bank of India said on Friday.

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HM eyes lower excise to position smaller 'Amby'

Indrani Dutta

KOLKATA: Hindustan Motors (HM), it seems, is always destined to move against the tide. For much of the period when the auto industry was going through good times, HM, the country's first automobile manufacturer fell behind, unable to cope with competition. Now when the rest of the industry is passing through a trough, the GP-CK Birla-controlled company is raring to go.

Buoyed by the sales of its signature product, the Ambassador, it is planning to roll out by December 2013, a smaller variant of the car. The game plan is to position the car in a segment where the excise duty would be substantially lower than the prevalent rate on the present range of Ambassador vehicles.

Enquiries revealed that the prototype of this car, developed in-house, is ready. It would use the Ambassador platform, but would be smaller in size. "The boot may be small and the size may be akin to a mid-segment car," sources said.



Confirming that HM was looking to launch a variant of the Ambassador, as well as a new model, HM Managing Director Uttam Bose said that while the variant would be ready by the third quarter of next fiscal, the new model would be in the market by March 2014. Both were in-house efforts, he added, while refusing to divulge more details.

Ambassador cars now attract an excise duty that varies between 24 per cent and 27 per cent. The variant is to be positioned such that it comes within the 12 per cent excise duty bracket. Efforts are on to target a price-point of around Rs. 4 lakh.

As for the new model, being developed at Uttarpara, it was learnt that it would have a new take on the Ambassador platform, and would be targeted at the youth.

Admitting that earlier plans to develop 'Amby' variants fell through, Mr. Bose said it was mainly due to a cash crunch. "Hindustan Motors has started posting pre-tax profits, and fresh accruals will be utilised to fund the new projects," he said.

He said that, as against sales of 2500 Ambassador cars in 2011-12, the company hoped to close this fiscal by selling 5000 cars. Mr. Bose said that plans were afoot to increase sales to 12,000 cars.

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