

Business Standard

Hindustan Motors looks at non-auto biz to stay afloat

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Company considers infra, power, railways as prospective sectors.

For the first time in its history, Hindustan Motors (HM) is looking at non-auto business as an option to stay afloat in these challenging times.

An executive of HM, which supplies auto components to leading car manufacturers in the country, said there was a general slowdown in the auto components business as major automobile manufacturers had resorted to production reduction.



When asked in which areas HM was likely to enter into for its non-auto business, the executive said that infrastructure, power transmission and the railways were the prospective sectors.

The executive added that since the Uttarpara plant of the company has stamping, casting and forging facilities for auto components manufacturing, diversification into the non-auto components business would not entail a substantial investment.

“Only separate dyes will have to be made for non-auto components business,” the executive added.

HM is also grappling with the sagging sales of its Ambassador cars.

The executive said that, unless there is an increase in demand, the company would be faced with “very hard times”.

The company has already effected a cut in the salaries of its managers and executives and in the wages of the workers.

The management, however, ruled out the introduction of any separation scheme for its workers at the moment.

The Uttarpara plant has almost 2,500 on its rolls.

Asked about the status of the real estate development at the surplus land at Uttarpara, the official said that the work was going on as per schedule.