

Hatchback Ambassador to hit roads next year

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Call it an image makeover for the oldest face of the Indian automobile industry, or a desperate attempt of a beleaguered auto maker to regain its lost glory, Hindustan Motors Ltd (HM) is planning to launch a new-age hatch-back version of the iconic Ambassador car.

Buoyed by recent sales growth, the C K Birla group company has taken up an ambitious project to introduce the hatchback Ambassador by the end of 2013-14.

"We have just started the R&D (research and development) work. This hatchback version of the Ambassador will have all kind of features and better interior, which a new-age customer looks for," Uttam Bose, managing director and chief executive officer of HM, told Business standard.

The car, which is at the "designing stage", will be built on the existing Ambassador platform at its Uttarpara plant. "The brand name Ambassador

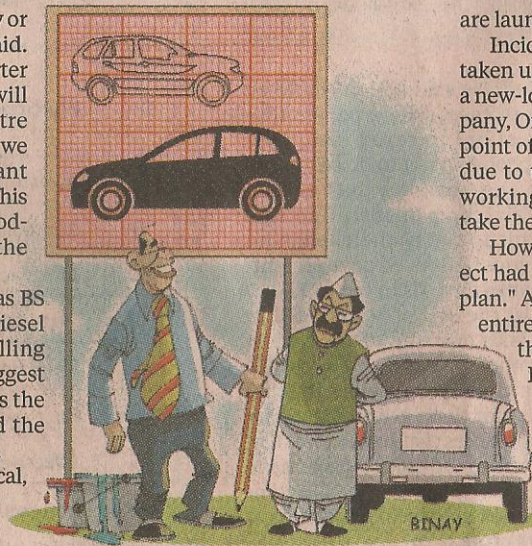
will be used for the car. There may or may not be a sub-brand," Bose said.

Before that, in the second quarter of the next financial year, HM will introduce a sub-four metre Ambassador. "In the coming June, we will launch the BS IV-compliant diesel variant of the Ambassador. This will be a replica of the existing model Ambassador, just changing the engine," he said.

At present, the Ambassador has BS III emission norms-compliant diesel engine. The company is still selling these models in Kolkata, the biggest market of the Ambassador cars, as the state government has exempted the model from BS IV norms, for now.

"In the second quarter of the fiscal, there will be a sub-four metre version. And by the end of the next financial year, we will come out with absolutely new model," Bose added.

The company will make some fresh investment at the Uttarpara plant in West Bengal for technology upgrade.



"All these will be built at Uttarpara. We have a capacity of 25,000 vehicles a year as of now. We are not utilising more than 10,000. The additional capacity will be utilised once the new products

are launched," he said.

Incidentally, earlier in 2010, HM had taken up a project to give Ambassador a new-look. A Pune-based design company, Onio Design, was roped in at that point of time for the project. However, due to technological constraints and working capital crunch, it could not take the plan forward.

However, Bose said the current project had "nothing to do with the earlier plan." A company official said: "It's an entirely new project, spearheaded by the company's new MD Uttam Bose, who had joined in April last year."

Analysts suggested HM would be in a position to take forward the plan, on the back of improved performance in recent months.

HM sold 826 units in February against 310 units in the corresponding month last year, registering a growth of 166.45 per cent. The Ambassador has been the main volume driver.