

HM to assemble Isuzu vehicles in Chennai

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Chennai

Kolkata-based Hindustan Motors will assemble SUVs and pickup trucks of Isuzu Motors at its Chennai plant even as the latter announced its plans to set-up a full-fledged manufacturing facility near Chennai, involving investments of Rs 1,500 crore over a period of time.

Hindustan Motors (HM) and Isuzu Motors India, a subsidiary of Isuzu Motors of Japan, entered into a contract manufacturing agreement on Friday, under which

HM will assemble Isuzu's SUVs and pickups at its vehicle manufacturing unit near Chennai. The components for producing those vehicles will be imported from Isuzu Motors, Thailand, according to a statement.

However, details about duration of the agreement and number of vehicles to be assembled at Thiruvallur were not disclosed.

"The collaboration with HM will support us by carrying out assembly of our vehicles at Thiruvallur which is about 70 km from Sri City, Andhra Pradesh, where our

own local manufacturing facility is planned. 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," Takashi Kikuchi, president, Isuzu Motors India said.

He added that the company is confident about the growth prospects of the SUV and LCV markets in India, despite the slowdown. Isuzu is marketing its SUV called MU& and pick up Dmax through its dealerships in Coimbatore and Hyderabad. These models are imported

as CBUs (completely built-up units) from Thailand and sold here. Isuzu will continue to ramp up its dealer network and intends to have at least 9-10 dealerships by year-end.

"Today's agreement is a strategic move which will enable HM to optimally utilise its spare capacity at Thiruvallur," said Uttam Bose, managing director & CEO, Hindustan Motors. HM also collaborates with Mitsubishi to manufacture Mitsubishi brand of vehicles in Thiruvallur plant.

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