HM to introduce new models after 26-year gap news

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The financially troubled Hindustan Motors (HM), one of the oldest passenger car manufacturers in Asia, plans to introduce its third passenger car brand after almost 26 years. After the iconic Ambassador in 1958, its next launch came only in 1984 with the Contessa, which was later phased out.

The plan is part of a strategy to revitalise HM, which was almost set for referral to the Bureau of Industrial and Financial Reconstruction (BIFR) following 90 per cent net worth erosion in the first quarter of this fiscal. The over 70-year-old HM has undergone a financial restructuring in the current quarter that resulted in infusion of Rs40 crore in the company.

Managing director Manoj JhaManaging director Manoj Jha said in Kolkata on Thursday that the company would launch six to seven variants in the next 15-20 months. All the variants will have a distinct look.

''There would be four new variants of the Ambassador of which two would be based on a completely new engine platform. We would start rolling out these new variants from April 2011,'' he said. He added that HM would introduce a new brand for two variants. "We may introduce a new brand as well. We will use the Ambassador brand for other variants," he said, adding that the new brand may be launched in 12-15 months.

The company is also in talks with overseas car makers to take up contract manufacturing at its Chennai plant. Jha said, ''We are in talks with global automakers to take up contract manufacturing at the Chennai plant. We are also in discussions with a Japanese major to explore the possibility of increasing the number of units rolling out of the plant.''

The Chennai plant, which manufactures Mitsubishi's Lancer and Cedia sedans along with Pajero and Outlander utility vehicles, manufactured only 4,000 units in 2009-10. It currently uses only one-fourth of the total installed capacity of 25,000 units per annum.

http://www.domain-b.com/companies/companies_h/Hind_Motors/20101001_new_models.html