

Hindustan Motors to Double Ambassador Output

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MUMBAI – India's Hindustan Motors Ltd. aims to double sales and production of its iconic Ambassador car by introducing new variants in a bid to turn its fortunes around in one of the world's fastest growing auto markets.



John Macdougall/AFP/Getty Images

"We aim to double sales and output of the Ambassador model to 2,300 a month in the next 15-18 months," Managing Director Manoj Jha told reporters on the sidelines of a company event Thursday.

"The rise in sales will be led by the four variants we are launching starting next year," he added.

The company, one of India's oldest auto makers, in May reported its net worth had more than halved in over the past four years, pushing the company to turn to the Board for Industrial and Financial Reconstruction, a state-run agency that helps rescue companies in poor financial shape.

In August, Mr. Jha had said the company's revenue was likely to rise 35% to 40% this year through March 2011 on higher demand.

The Ambassador, one of the country's oldest passenger sedans, is made at Hindustan Motors' Uttarpara plant in India's eastern state of West Bengal. At present the factory makes 1,000 units of the model each month.

Hindustan Motors has a technical tie-up with Japan's Mitsubishi Motors Corp. Under the agreement, the Indian company produces Mitsubishi's Pajero Sports, Outlander and Lancer and Cedia sedans at another plant in southern India's Tamil Nadu state.

Earlier Thursday, Hindustan Motors announced the launch of the Lancer Evolution X sedan at about 5 million rupees (\$110 000) and introduced the new Montero sport utility vehicle at 3.9 million rupees.

Mr. Jha also said the company will raise the monthly output of its small truck, Winner, to 1,000 at its factory in Indore, in the central state of Madhya Pradesh. The unit has been almost dormant in the past three years and currently makes just 100 vehicles a month.

The auto maker has plans to introduce two new small trucks in the next 18 months, he added.

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