

Hind Motors Sees Q1 Net Profit of ₹17.20 Crore

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CK Birla-controlled Hindustan Motors (HM) clocked a net profit of ₹17.20 crore in the first quarter ended June 30, 2011, compared to a net loss of ₹19.73 crore in the earlier corresponding period.

The improved bottomline in the said quarter stems from the profit that Hindustan Motors earned by transferring 120 acres of prime property in Halol, Gujarat, for a total consideration of ₹70-75 crore.

"The company transferred the Halol property to various buyers in two tranches and closed the deal in the Q1 of 2011-12. We earned a profit of ₹25-odd-crore in the fourth quarter (Q4) of 2010-11 and another ₹47.63 crore in April-June quarter," CK Birla, chairman, Hindustan Motors, told mediapersons after the company's 69th annual general meeting in Kolkata on Thursday.

The move to sell immovable properties is in line with the

company management's initiatives taken last fiscal to arrest further erosion of its net-worth.

Apart from the Gujarat property, the company also sold off a prime property in Chennai and some 24.87% of its stake in Avtec last fiscal.

The efforts helped the company book a profit of nearly ₹145 crore, part of which is reflected in the company's 2010-11 annual report and accounts reducing its accumulated losses to less than 50% of its peak net-worth.

Hindustan Motors, makers of the iconic Ambassador, is all set to launch a range of new models and variants in the current financial year. It is in the process of developing a Euro-IV compliant diesel engine on CRDI platform in collaboration with a European company and will be ready for use in 2011-12.

It has also completed developing the 0.8-tonne pickup, a 7-9 seater commercial passenger carrier on Ambassador plat-

form, a 9-10 seater passenger carrier on LCV Winner platform and an upgraded cargo version Winner from Uttarpara.

The Chennai plant, which rolls out Mitsubishi range of vehicles, will launch new generation Pajero Sports Utility Vehicle, seven-seater Outlander and upgraded Montero in the near future.

On the Uttarpara land deal, Hindustan Motors' CFO and company secretary Yogesh Goenka said: "We have not received any showcase notice from the West Bengal government. They have sought further clarifications from us on the land deal and we have provided it. Proceeds of ₹285 crore from sale of Uttarpara land has already been ploughed back into the West Bengal unit."

However, the proposed project in Uttarpara to be developed by Shriram Properties is yet to take off pending certain clearances from different authorities.