

## **Hindustan Motors Limited**

Chairman's Speech  
Sixty-fifth Annual General Meeting  
Monday, 27<sup>th</sup> August, 2007

Dear Shareholders,

I welcome you all to this 65<sup>th</sup> Annual General Meeting of your Company.

The financial year under review at this AGM saw your company report a profit of Rs 13.29 Crs, after taxes. Progress on the ongoing initiatives for developing an Integrated IT Township & Auto Ancillary Park adjacent to the Uttarpara Plant enabled this.

The year also saw an unfortunate development –flash strike by a section of the employees on 13<sup>th</sup> March 2007 necessitating “suspension of work” with effect from 11<sup>th</sup> April, 2007. I am happy to inform you that this problem has since been resolved and based on bipartite settlement between the management and majority of the unions, duly endorsed by the general body of the work force, operations were resumed from 10<sup>th</sup> May 2007 and normalcy restored.

You are aware that in recent years your company has been focusing on both the automobile business and the auto component business.

I will now share the progress on each of these.

- During the year under review the Company sold in aggregate 13,775 number of vehicles compared to 11,856 in the pervious financial year of nine months.
- The Ambassador continues to enjoy steady demand. But for the unfortunate developments in March, Ambassador sales would have been higher.

- Sales for the Mitsubishi range of products also grew during the year with marked increase in demand and sale of Premium SUVs - Pajero & Montero, thereby improving the performance of the Chennai Car Plant. This positive momentum is being sustained in the current year as well.
- The strategic initiative of developing Forge, Foundry & Press Shops into an Auto Component Business was sustained during the year. The capital expenditure program to modernize these facilities is being executed as per plan. In the coming years this business is expected to grow and emerge as a major contributor to revenue and profitability.

The Govt. of West Bengal, through its order dated 13<sup>th</sup> September 2006, permitted the company to develop and cause to be developed, an Integrated IT Township & Auto Ancillary Park, in 314 acre area, adjacent to the Uttarpara Plant. In accordance with the provisions of the order, the Company delivered the first lot of land and realized sale proceeds. The remaining four lots are expected to be delivered and proceeds realized in four more lots spanning the next 2 years. I thank the West Bengal Govt. for considering our application under the West Bengal Industrial Renewal Scheme, 2001 and granting us the necessary permission.

I take this opportunity to thank all our customers, dealers, suppliers, bankers, financial institutions, employees and other stake holders for their support and co-operation.

I also thank my colleagues on the Board for their continued guidance and support.

Thank You.

August 27, 2007

Kolkata