

**HM is all set to manufacture a new car**

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The manufacturer of image brand like Ambassador, Hindustan Motors is in the midst of developing a new car after twenty six long years.

The company which is owned by CK Birla stated that it will be producing variants of Ambassador. It will also use its unoccupied capacity for manufacturing on contract basis.

Manoj Jha, the managing director of the company said that by taking the mentioned steps the firm can be operationally lucrative by the end of the current financial year.

As on June 2010 Hindustan Motors had a net worth of one hundred and sixty four crores of rupees, but the company's added up loss was also in the tune of one hundred and fifty two crores of rupees which indicated that there was erosion in the tune of ninety two decimal five percent.

Manoj Jha was found saying that the company had collected forty crores of rupees by selling one of its properties in Chennai.

To raise the sum the firm also sold shares of Avtec, an auto component manufacturer to other companies of CK Birla group for preventing the company from getting into the hands of the Board for Industrial and Financial Reconstruction (BIFR)

The raised amount will see the firm through the crisis till the month of December. A company falls to the BIFR when its net worth washes away fully. Hindusan Motors was witnessing an amount of twenty crores of rupees as loss in each quarter and that too in the past few quarters. It is expected that promoters will chip in with money.

According to Jha there are expectations that all the three factories owned by HM in Uttarpara of West Bengal, Indore in MP and Chennai in Tamil Nadu will be self sufficient by the end of this fiscal.

In the quarter lasting from October-December, HM will be introducing a variant of Ambassador and the engine of that car will be supplied by one of the leading engine technology firm of the world.

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