

Audited Financial Results for the Quarter / 6 month period ended 31st March, 2014

(Rupees in Lacs)

	Stand-alone					Consolidated	
	Quarter ended			6 month period ended	18 month period ended	6 month period ended	18 month period ended
	31.03.14	31.12.13	31.03.13	31.03.14	30.09.13	31.03.14	30.09.13
	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
	(Refer note 5)						
Part I							
Particulars							
1 Income from Operations							
a) Net Sales / Income from Operations	9172	8781	17233	17953	71637	17953	71771
b) Other Operating Income	292	33	125	325	652	325	652
Total income from Operations (Net)	9464	8814	17358	18278	72289	18278	72423
2 Expenses							
a) Cost of materials consumed	4840	6412	12718	11252	42565	11252	42569
b) Purchase of Traded Goods	1705	760	786	2465	17843	2465	17843
c) (Increase)/ Decrease in Finished Goods, Stock-in-Trade and Work-in-Progress	1168	52	(215)	1220	(1576)	1220	(1576)
d) Employee Benefits Expense	2150	2220	2483	4370	13615	4371	13629
e) Depreciation and Amortisation Expense	437	407	382	844	2197	845	2202
f) Other Expenses	1793	1654	2165	3447	11728	3448	11859
Total Expenses	12093	11505	18319	23598	86372	23601	86526
3 Profit/(Loss) from Operations before Other Income, Finance costs & Exceptional items (1-2)	(2629)	(2691)	(961)	(5320)	(14083)	(5323)	(14103)
4 Other Income	224	395	410	619	1173	619	1232
5 Profit / (Loss) before Finance costs & Exceptional items (3+4)	(2405)	(2296)	(551)	(4701)	(12910)	(4704)	(12871)
6 Finance Costs	5250	394	441	5644	3089	5705	2987
7 Profit/ (Loss) after Finance Costs but before Exceptional items (5-6)	(7655)	(2690)	(992)	(10345)	(15999)	(10409)	(15858)
8 Exceptional items	9136	1139	597	10275	8001	10480	7269
9 Profit/ (Loss) before Tax (7+8)	1481	(1551)	(395)	(70)	(7998)	71	(8589)
10 Tax Expenses							
a) Current Tax	237	-	-	237	-	237	39
b) Deferred Tax	-	-	(279)	-	(878)	-	(878)
c) Tax provision for earlier years (Net)	-	-	-	-	-	-	2
11 Net Profit / (Loss) after tax before Minority interest & Share of Profit / (Loss) of Associate (9-10)	1244	(1551)	(116)	(307)	(7120)	(166)	(7752)
12 Add: Share of Profit / (Loss) of Associate	-	-	-	-	-	(39)	404
13 Less: Minority interest in Profit / (Loss)	-	-	-	-	-	-	-
14 Net Profit / (Loss) for the period	1244	(1551)	(116)	(307)	(7120)	(205)	(7348)
15 Paid-up Equity Share Capital* (Face value = Rs.5)	9239	9239	9239	9239	9239	9239	9239
16 Reserves (excl. Revaluation Reserves)				(13470)	(13163)	(13498)	(13295)
17 Earnings per share (not annualised)							
a) Basic (Rs.)	0.66	-0.84	-0.06	-0.17	-3.89	-0.12	-4.01
b) Diluted (Rs.)	0.66	-0.84	-0.06	-0.17	-3.89	-0.12	-4.01
* Excluding amount in respect of forfeited shares							
Part II							
A Particulars of Shareholding							
1 Public Shareholding							
- Number of Shares	117298739	117298739	117298739	117298739	117298739		
- Percentage of Shareholding	63.48%	63.48%	63.48%	63.48%	63.48%		
2 Promoters and Promoter Group Shareholding							
a) Pledged/Encumbered							
- Number of Shares	26271854	26271854	26271854	26271854	26271854		
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	38.94%	38.94%	38.94%	38.94%	38.94%		
- Percentage of Shares (as a % of the total share capital of the company)	14.22%	14.22%	14.22%	14.22%	14.22%		
b) Non-encumbered							
- Number of Shares	41201400	41201400	41201400	41201400	41201400		
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	61.06%	61.06%	61.06%	61.06%	61.06%		
- Percentage of Shares (as a % of the total share capital of the company)	22.30%	22.30%	22.30%	22.30%	22.30%		
B Particulars	Quarter ended 31.03.2014						
Investor Complaints							
Pending at the beginning of the quarter	Nil						
Received during the quarter	26						
Disposed of during the quarter	26						
Remaining unresolved at the end of the quarter	Nil						

Notes:

1) Statement of Assets and Liabilities

(Rupees in Lacs)

Particulars	Stand-alone		Consolidated	
	As at 31.03.14 (Audited)	As at 30.09.13 (Audited)	As at 31.03.14 (Audited)	As at 30.09.13 (Audited)
A EQUITY AND LIABILITIES				
1 Shareholders' Funds				
(a) Share Capital	9247	9247	9247	9247
(b) Reserves and Surplus	(12740)	(12407)	(12768)	(12538)
Sub-total - Shareholders' Funds	(3493)	(3160)	(3521)	(3291)
2 Minority Interest	-	-	-	-
3 Non-current Liabilities				
(a) Long Term Borrowings	-	-	-	-
(b) Deferred Tax Liabilities (Net)	-	-	-	-
(c) Other Long-term Liabilities	443	1340	443	1340
(d) Long-term Provisions	879	790	879	790
Sub-total - Non-current Liabilities	1322	2130	1322	2130
4 Current Liabilities				
(a) Short Term Borrowings	1878	7171	1878	7171
(b) Trade Payables	4862	7983	4890	8016
(c) Other Current Liabilities	13462	11783	13462	11789
(d) Short-term Provisions	868	775	868	780
Sub-total - Current Liabilities	21070	27712	21098	27756
TOTAL EQUITY AND LIABILITIES	18899	26682	18899	26595
B ASSETS				
1 Non-Current Assets				
(a) Fixed Assets	3909	11888	3909	11897
(b) Non-current Investments	14	1845	19	1643
(c) Deferred Tax Assets (Net)	-	-	-	2
(d) Long-term Loans and Advances	590	771	590	771
(e) Other Non-current Assets	2087	-	2087	-
Sub-total - Non-current Assets	6600	14504	6605	14313
2 Current Assets				
(a) Inventories	1518	8133	1518	8136
(b) Trade Receivables	1816	2068	1811	2065
(c) Cash and Bank balances *	89	713	89	803
(d) Short-term Loans and Advances	335	1258	335	1261
(e) Other Current Assets	8541	6	8541	17
Sub-total - Current Assets	12299	12178	12294	12282
TOTAL ASSETS	18899	26682	18899	26595

* Includes cash and cash equivalents of ₹ 79 lacs (previous year ₹ 702 lacs)

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 5th August, 2014.
- As the accumulated losses of the Company at the end of the financial year ended 30th September, 2013 exceeded its entire net worth, the Company has made reference to the Board for Industrial and Financial Reconstruction (BIFR) under section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985. The reference has been registered by BIFR.
- Financial year 2013-14 is for six month period from 1st October, 2013 to 31st March, 2014 and hence the previous year's figures, which is for eighteen month period ended 30th September 2013, are not comparable.
- The figures of last quarter are the balancing figures between the audited figures in respect of the full financial period ended 31st March, 2014 and the unaudited published year-to-date figures up to 31st December, 2013, which was subject to limited review.
- Pursuant to Business Transfer Agreement dated 14th February, 2014 with Hindustan Motor Finance Corporation Limited (HMFCL), the possession of all immovable, movable assets and net current assets relating to Chennai Car Plant (CCP), excluding certain liabilities as specified in the BTA, has been handed over to HMFCL on 30th March, 2014 on a going concern basis at a total consideration of ₹ 15454 lacs and resulting gain of ₹ 8910 lacs thereon has been disclosed in the financial results as 'Exceptional items'.

- 7) The above results includes profit/(loss) from discontinued operation i.e “Chennai Car Plant” of the Company, which has been sold to HMFCL w.e.f 30th March 2014 pursuant to Business Transfer Agreement dated 14th February, 2014 as referred in note 6 above.

(Rupees in Lacs)

Particulars	Period			
	1.1.2014 to 29.03.2014	1.10.2013 to 31.12.2013	1.1.2013 to 31.03.2013	1.10.2013 to 29.03.2014
	(Audited)	(Unaudited)	(Unaudited)	(Audited)
	(Refer note 5)			
1 Income from Operations				
a) Net Sales / Income from Operations	7153	5856	11161	13009
b) Other Operating Income	138	105	50	243
Total income from Operations (Net)	7291	5961	11211	13252
2 Expenses				
a) Cost of materials consumed	3503	4877	8138	8380
b) Purchase of Traded Goods	1514	444	330	1958
c) (Increase) / Decrease in Finished Goods, Stock-in-Trade and Work-in-Progress	503	(669)	(104)	(166)
d) Employee Benefits Expense	235	522	635	757
e) Depreciation and Amortisation Expense	284	307	287	591
f) Other Expenses	1052	1008	850	2060
Total Expenses	7091	6489	10136	13580
3 Profit /(Loss) from Operations before Other Income, Finance costs & Exceptional items (1-2)	200	(528)	1075	(328)
4 Other Income	42	285	98	327
5 Profit/ (Loss) before Finance costs & Exceptional items (3+4)	242	(243)	1173	(1)
6 Finance Costs	70	132	135	202
7 Profit/ (Loss) after Finance Costs but before Exceptional items (5-6)	172	(375)	1038	(203)
8 Exceptional items	-	-	-	-
9 Profit/ (Loss) before Tax (7+8)	172	(375)	1038	(203)
10 Tax Expenses (including deferred tax)	-	-	(92)	-
11 Net Profit / (Loss) for the period (9-10)	172	(375)	1130	(203)

- 8) a) Exceptional items represent profit on sale of CCP unit and non-current investments.
b) There were no extraordinary items during the respective periods reported above.
- 9) Corporate Debts Restructuring Empowered Group (CDR EG) in their meeting held on 28th June, 2014 have quantified the claim of recompense of interest at ₹ 6766 lacs in view of proposed exit of the Company from CDR. The Company has provided an amount of ₹ 4948 lacs in the current quarter towards additional liability after considering past payments, which will be paid to the lenders as under:
a) Payment of ₹ 640 lacs.
b) Issuance of Non-convertible Debenture (NCDs) /Bonds of ₹ 2053 lacs carrying simple interest of 10.25% per annum redeemable in 3 years in 3 equal instalments along with interest.
c) Issuance of Equity shares aggregating to ₹ 2255 lacs. The equity shares shall carry face value of ₹ 5 each per share. The allotment price of equity shares to be determined in accordance with the SEBI Guidelines.
- 10) The operating results have been adversely affected due to adverse market conditions and the accumulated losses of the Company as at March 31, 2014 stand at ₹ 15200 lacs as against the share capital of ₹ 9247 lacs. Also current liabilities as at March 31, 2014 exceed current assets by ₹ 8771 lacs. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern, which is dependent on the Company establishing profitable operations and sustainable cash flows. The Management is in the process of restructuring the operations and have hired a consultant to give an external perspective on the challenges and possible solutions at the Uttarpara Plant. The Management is confident that these measures are expected to result in sustainable cash flows and accordingly, the Company continues to prepare its accounts on a “Going Concern” basis. The Auditors in their audit report for the period ended 31st March 2014 has also given Emphasis of Matter on above.
- 11) Due to low productivity, growing indiscipline, shortage of funds and lack of demand of products, the management has declared “Suspension of work” at Company’s Uttarpara Plant with effect from 24th May, 2014.
- 12) The Government of West Bengal (GoWB) has alleged that the Company has realized an excess sum of ₹ 19447 lacs from the sale of 314 acres of land at Hindmotor, West Bengal in earlier years and it should refund the said amount along with interest thereon. The Company has been legally advised that there is no liability on the Company to make any payment against the alleged demand. Accordingly, the Company has denied and disputed the allegation and hence, no provision is considered necessary by the management against the said claim. The Auditors in their audit report for the period ended 31st March 2014 has also given Emphasis of Matter on above.
- 13) The consolidated financial result as indicated above includes Hindustan Motors Limited, its subsidiaries and associates.

- 14) During the quarter, Hindustan Motor Finance Corporation Limited (HMFCL) ceased to be an associate Company.
- 15) As the Company's business activity falls within a single primary business segment, viz., "Automobiles" and there is no reportable secondary segment i.e. geographical segment, the disclosure requirement of Accounting Standard-17 "Segment Reporting" as notified by Companies (Accounting Standards) Rules, 2006 (as amended) is not applicable.
- 16) Prior period figures have been re-grouped / rearranged, wherever necessary.

By Order of the Board

Kolkata
Dated: 5th August, 2014

Uttam Bose
Director