



## **Hindustan Motors to demerge its Chennai Car Plant**

***Unit to be transferred to fully owned subsidiary company HMFCL***

**NEW DELHI, January 10, 2013:** Hindustan Motors Limited (HML) has decided to demerge and transfer its Chennai Car Plant (CCP) as a going concern to its fully owned subsidiary organization Hindustan Motor Finance Corporation Limited (HMFCL). The remaining business and interests of HML will continue to belong to and be managed by HML.

The Scheme of Arrangement for this purpose was passed by the Board of Hindustan Motors Ltd. at its meeting here today. HML's Board gave its nod to the Scheme of Arrangement providing for segregation and realignment of CCP business unit and other business units in two different entities so as to pursue their respective growth plans as appropriate.

In consideration of the demerger, HMFCL will issue and allot to the shareholders of HML, 1 (one) Equity Share of Rs.5/- each in HMFCL credited as fully paid up for every 13(thirteen) Equity Shares of Rs.5/- each fully paid-up held by them in the capital of HML.

No fractional shares shall be issued by HMFCL in respect of the fractional entitlements, if any, to which the members of HML may be entitled on issue and allotment of Equity Shares in HMFCL as above. Such fractional entitlements shall be consolidated and allotted to officer(s) of HMFCL for sale in the market and the net sale proceeds shall be distributed to the members of HML in proportion to their fractional entitlements.

The Scheme is subject to and conditional upon the requisite approvals being received therefore, including approval of shareholders and sanction of the Hon'ble High Court at Calcutta pursuant to Sections 391 and 394 of the Companies Act, 1956. Accordingly, the Scheme although operative from April 1,

2012 shall come into effect on the Effective Date, being the date or last of the dates on which certified copies of the orders sanctioning the Scheme are filed by HML and HMFCL with the Registrar of Companies.

### **About Hindustan Motors Limited**

Hindustan Motors Limited, the flagship venture of the multi-billion dollar CK Birla Group, was established during the pre-Independence era at Port Okha in Gujarat. Operations were moved in 1948 to Uttarpara in district Hooghly, West Bengal, where the company began the production of the iconic Ambassador.

Equipped with integrated facilities such as press shop, forge shop, foundry, machine shop and aggregate assembly units for engines, axles etc, the company currently manufactures Ambassador (1500 and 2000 cc diesel, 1800 cc petrol, CNG and LPG variants) in the passenger car segment, light commercial vehicle 1-tonne payload mini-truck Winner 1.5 lt. and 2.0 lt. diesel and Winner 1.8 lt. CNG, and auto components at its Uttarpara plant. The company also runs operations at Pithampur near Indore in Madhya Pradesh where it produces both variants of Winner.

Hindustan Motors entered into technical collaboration with Mitsubishi Motors Corporation of Japan in 1998. Under this license, HM manufactures/markets premium Mitsubishi passenger vehicles from its third plant situated at Tiruvallur and office in Chennai in Tamil Nadu. Lancer was the first Mitsubishi vehicle to be introduced in India by HM in 1998 and it was followed by Pajero SFX (2002), Cedia (2006), Montero (2009), Outlander (2010) and Lancer Evolution X in 2010. Special edition variants of some of these vehicles were also launched in between. Pajero Sport, which was launched on March 12, 2012, is the latest member of the HM-Mitsubishi group of vehicles in India.

Hindustan Motors is committed to core values of quality, safety, environmental care and holistic customer orientation.

**For more information, please contact:**

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