

Hindustan Motors Limited

Regd. Office "Birla Building", 14th Floor,
9/1, R.N.Mukherjee Road,
Kolkata-700 001.

Unaudited Financial Results for the Quarter ended 31st December, 2013

(Rupees in Lacs)

	Quarter ended			18 month
	31.12.13	30.09.13	31.12.12	period ended
	(Unaudited)	(Unaudited)	(Unaudited)	30.09.13 (Audited)
Part I				
Particulars				
1 Income from Operations				
a) Net Sales / Income from Operations	8674	10299	11294	71384
b) Other Operating Income	140	134	125	905
Total income from Operations (Net)	8814	10433	11419	72289
2 Expenses				
a) Cost of materials consumed	6412	7281	8322	42565
b) Purchase of Traded Goods	760	801	879	17843
c) (Increase)/ Decrease in Finished Goods, Stock-in-Trade and Work-in-Progress	52	136	255	(1576)
d) Employee Benefits Expense	2220	2398	2165	13615
e) Depreciation and Amortisation Expense	407	411	281	2197
f) Other Expenses	1654	2212	1386	11728
Total Expenses	11505	13239	13288	86372
3 Profit /(Loss) from Operations before Other Income, Finance costs & Exceptional items (1-2)	(2691)	(2806)	(1869)	(14083)
4 Other Income	395	170	151	1173
5 Profit / (Loss) before Finance costs & Exceptional items (3+4)	(2296)	(2636)	(1718)	(12910)
6 Finance Costs	394	633	539	3089
7 Profit/ (Loss) after Finance Costs but before Exceptional items (5-6)	(2690)	(3269)	(2257)	(15999)
8 Exceptional items	1139	3167	4237	8001
9 Profit/ (Loss) before Tax (7+8)	(1551)	(102)	1980	(7998)
10 Tax Expenses				
a) Current Tax	-	-	-	-
b) Deferred Tax	-	(131)	(56)	(878)
c) Tax provision for earlier years (Net)	-	-	-	-
11 Net Profit / (Loss) for the period	(1551)	29	2036	(7120)
12 Paid-up Equity Share Capital* (Face value = Rs.5)	9239	9239	9239	9239
13 Reserves (excl. Revaluation Reserves)				(13163)
14 Earnings per share (not annualised)				
a) Basic (Rs.)	-0.84	0.02	1.16	-3.89
b) Diluted (Rs.)	-0.84	0.02	1.16	-3.89
* Excluding amount in respect of forfeited shares				

Part II

A Particulars of Shareholding

1 Public Shareholding				
- Number of Shares	117298739	117298739	117298739	117298739
- Percentage of Shareholding	63.48%	63.48%	63.48%	63.48%
2 Promoters and Promoter Group Shareholding				
a) Pledged/Encumbered				
- Number of Shares	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%
- Percentage of Shares (as a % of the total share capital of the company)	14.22%	14.22%	14.22%	14.22%
b) Non-encumbered				
- Number of Shares	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%
- Percentage of Shares (as a % of the total share capital of the company)	22.30%	22.30%	22.30%	22.30%

	Particulars	Quarter ended 31.12.2013
B	Investor Complaints	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	23
	Disposed of during the quarter	23
	Remaining unresolved at the end of the quarter	Nil

Notes:

- 1) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 6th February, 2014. Limited review of the above results has been carried out by the statutory auditors of the Company.
- 2) Financial year 2013-14 will be for six month period from 1st October, 2013 to 31st March, 2014.
- 3) The Board of Directors at their meeting held on 26th December, 2013 approved withdrawal of the scheme of arrangement for demerger of Chennai Car Plant (CCP) and decided to divest CCP as a going concern, subject to necessary approvals and consents. The above results include profit/(loss) from discontinuing operation i.e. "Chennai Car Plant" of the Company which is to be divested, the details whereof are as under:

(Rupees in Lacs)

Particulars	Quarter ended			18 month
	31.12.13	30.09.13	31.12.12	period ended
	(Unaudited)	(Unaudited)	(Unaudited)	30.09.13 (Audited)
1 Income from Operations				
a) Net Sales / Income from Operations	5856	8081	7883	51389
b) Other Operating Income	105	77	46	379
Total income from Operations (Net)	5961	8158	7929	51768
2 Expenses				
a) Cost of materials consumed	4877	5443	6087	27811
b) Purchase of Traded Goods	444	490	537	15417
c) (Increase) / Decrease in Finished Goods, Stock-in-Trade and Work-in-Progress	(669)	600	(100)	(552)
d) Employee Benefits Expense	522	581	568	3345
e) Depreciation and Amortisation Expense	307	310	185	1608
f) Other Expenses	1008	1229	642	5970
Total Expenses	6489	8653	7919	53599
3 Profit/(Loss) from Operations before Other Income, Finance costs & Exceptional items (1-2)	(528)	(495)	10	(1831)
4 Other Income	285	41	97	442
5 Profit/ (Loss) before Finance costs & Exceptional items (3+4)	(243)	(454)	107	(1389)
6 Finance Costs	132	159	180	945
7 Profit/ (Loss) after Finance Costs but before Exceptional items (5-6)	(375)	(613)	(73)	(2334)
8 Exceptional items	-	-	-	-
9 Profit/ (Loss) before Tax (7+8)	(375)	(613)	(73)	(2334)
10 Tax Expenses (including deferred tax)	-	(109)	(65)	(542)
11 Net Profit / (Loss) for the period (9-10)	(375)	(504)	(8)	(1792)

- 4) a) Exceptional items represent profit on sale of non-current investments.
b) There were no extraordinary items during the respective periods reported above.
- 5) As the accumulated losses of the Company at the end of the financial year ended 30th September, 2013 exceeded its entire networth, the Company will be making reference to the Board for Industrial and Financial Reconstruction under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985.
- 6) During the year ended 31st March 2011, the Company had made provision for recompense of interest amount of Rs.1500 lacs to Lenders under Corporate Debt Restructuring scheme. The Company has not made provision for the balance amount of recompense, if any, pending finalisation of the same, pursuant to ongoing discussions with the Lenders for reduction in the amount thereof.
- 7) The operating results have been adversely affected due to adverse market conditions and the accumulated losses of the Company as at 30th September 2013 (being the date of last audited financial statements) exceeded its net worth by Rs. 3916 lacs. Also, the current liabilities as at the 30th September, 2013 exceeded current assets by Rs. 15534 lacs. These conditions indicate the existence of an uncertainty that may cast doubt about the Company's ability to continue as a going concern unless the Company establishes positive cash flows or profitable operations.

The Management is in the process of taking necessary measures to augment the net worth and to improve the operating results including but not limited to sale of certain manufacturing facilities including Chennai Car Plant (CCP). As stated under Note 3 above, pending the divestment of CCP, a working arrangement has been entered with Hindustan Motors Finance Corporation Ltd (HMFCL) to run the operations of CCP with a right to purchase the assets and liabilities of CCP as going concern subject to requisite approvals. HMFCL, vide its letter dated 16th January 2014, has exercised the option to purchase CCP at a consideration that shall be determined by a valuer appointed jointly by the Company and HMFCL, which shall not be less than Rs. 15000 lacs. The Company has received the approval of the members and will be entering into Business

Transfer Agreement with HMFCL for the transfer of CCP as a going concern, subject to other approvals and consents.

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.

- 8) The Government of West Bengal (GoWB) has alleged that the Company has realized an excess sum of Rs. 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 allegations and hence, no provision is considered necessary by the management against the said claim.
- 9) During the quarter, Hindustan Motor Finance Corporation Limited (HMFCL) and HM Export Limited ceased to be subsidiary and associate of the Company respectively. HMFCL has now become an associate of the Company in terms of Accounting Standard as notified by Companies (Accounting Standards) Rules, 2006 (as amended).
- 10) 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.
- 11) Prior period figures have been re-grouped / rearranged, wherever necessary.

By Order of the Board

Kolkata
Dated: 6th February, 2014

**Sd/-
Uttam Bose
Managing Director**