



February 6, 2014

- | | |
|---|---|
| 1 The Manager, Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, 5 th floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 051
(Company Code : HINDMOTORS) | 2 Corporate Relationship Dept.
BSE Limited
1 st floor, New Trading Ring
Rotunda Building, P. J. Towers
Dalal Street, Fort
Mumbai – 400 001
(Company Code : 500500) |
| 3 The Secretary
The Calcutta Stock Exchange Limited,
7 Lyons Range
Kolkata – 700 001
(Company Code : 1000012) | |

Dear Sirs

Sub : Submission of Unaudited Financial Results along with Limited Review Report for the First Quarter ended 31st December, 2013

Enclosed please find the Unaudited Financial Results of the Company for the First Quarter ended 31st December, 2013 in the prescribed format in terms of requirement of Clause-41 of the Listing Agreement. As communicated to you earlier on 30th October, 2013 the financial year 2013-14 is for six month period from 1st October, 2013 to 31st March, 2014. The results were approved by the Board of Directors of the Company at its meeting held on date.

We are also enclosing herewith Limited Review Report of the Auditors in original in respect of the said financial results duly placed before the Board of Directors of the Company at its meeting held on 6th February, 2014. The Board of Directors, while approving the Unaudited Financial Results had also confirmed that the Company continued to adopt the same accounting policies which were followed earlier.

We have sent the said results to newspapers for publication latest by 7th February, 2014.

The above submission is in compliance with the requirement of Clause 41 of the Listing Agreement.

A line of acknowledgement shall be awaited.

Thanking you,

Yours faithfully,
For Hindustan Motors Limited

Uttam Bose
Managing Director

Encl : As above.

- | | |
|--|---|
| CC: 1 National Securities Depository Ltd.
Trade World, 4 th Floor
Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai – 400 013 | 2 Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers
26 th Floor, Dalal Street
Mumbai - 400 023 |
|--|---|

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

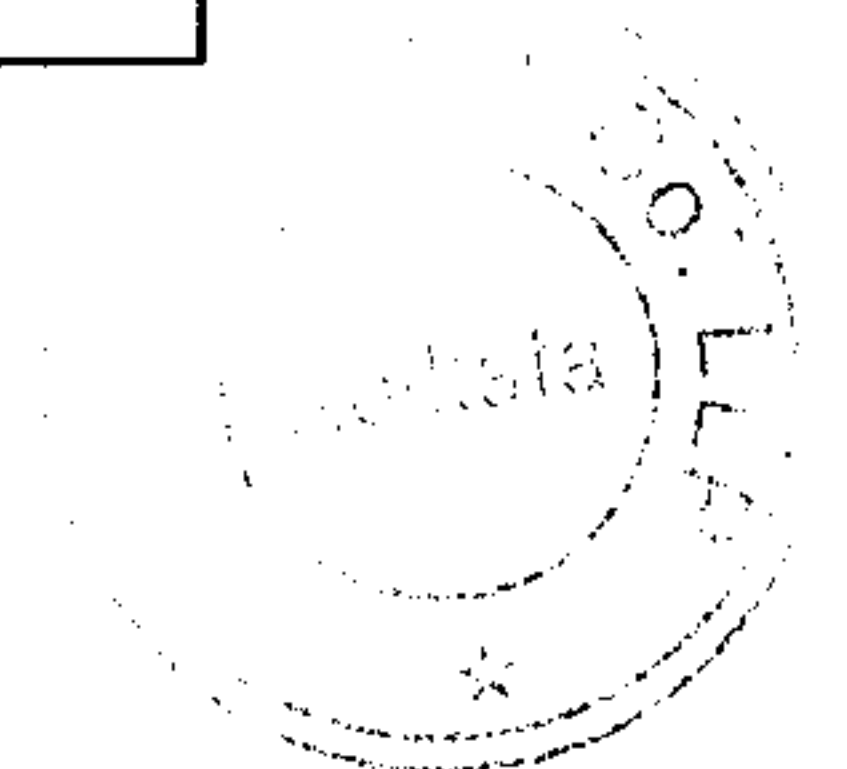
(Rupees in Lacs)

	Quarter ended			18 month period ended
	31.12.13	30.09.13	31.12.12	30.09.13
	(Unaudited)	(Unaudited)	(Unaudited)	(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%

B	Particulars	Quarter ended 31.12.2013
	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 period ended
	31.12.13	30.09.13	31.12.12	30.09.13
	(Unaudited)	(Unaudited)	(Unaudited)	(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.

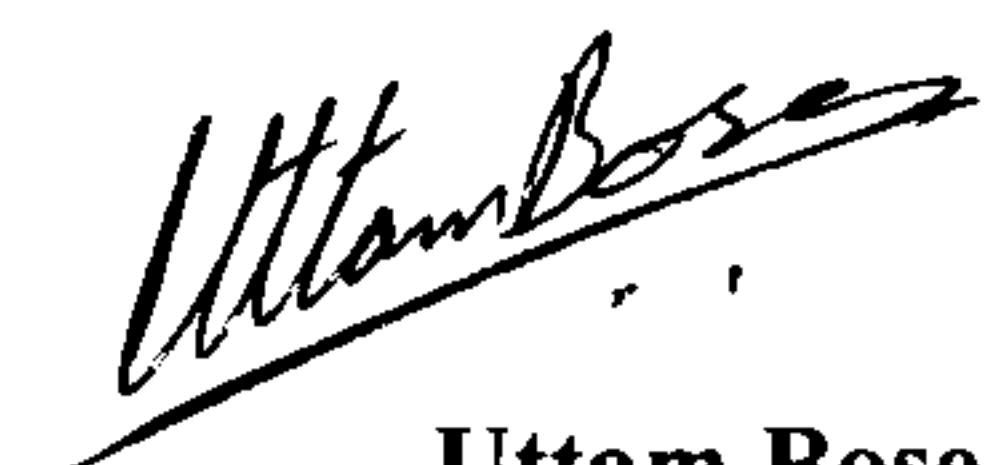
The Management is in the process of taking necessary measures to augment the net worth and to improve the operating results including but not limited to sale of certain manufacturing facilities including Chennai Car Plant (CCP). As stated under Note 3 above, pending the divestment of CCP, a working arrangement 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


Uttam Bose
Managing Director

Kolkata

Dated: 6th February, 2014

Limited Review Report**Review Report to
The Board of Directors
Hindustan Motors Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Hindustan Motors Limited ('the Company') for the quarter ended December 31, 2013 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors/ Committee of Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without qualifying our conclusion, attention is drawn to the following notes to the financial results:
 - (a) Note 6 regarding the demand for right of recompense by the Lenders under Corporate Debt Restructuring scheme. As stated in the said Note, in view of the Company's request for reduction in the amount of recompense of interest which the Lenders have agreed to consider, no provision against the balance amount of recompense payable (net of Rs. 1500 lacs already paid to the Lenders), if any, is considered necessary by the management.
 - (b) Note 7 regarding preparation of the accounts on a going concern basis although the Company has been incurring losses and its net worth stands fully eroded and also, its current liabilities exceed its current assets. 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 inflows or profitable operations. These mitigating factors have been more fully discussed in the aforesaid Note, in view of which the accompanying financial results have been prepared under the going concern assumption.
 - (c) Note 8 regarding the demand of Government of West Bengal (GoWB) for payment of Rs.19447 lacs along with interest thereon in relation to excess realization of the said sum from the sale of land at Hindmotor, West Bengal, in earlier years. As stated in the said Note, the Company is of the view that it has not committed any default of the said Government Order and based on the legal advice obtained by the Company, no provision is considered necessary by the management against the said claim of GoWB.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

4. Based on our review conducted as above, read together with our comments in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", notified under the Companies Act, 1956 read with General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & CO. LLP

ICAI Firm registration number: 301003E

Chartered Accountants



per Raj Agrawal

Partner

Membership No.: 82028

Place: Kolkata

Date: February 6, 2014

