



February 7, 2015

- | | |
|---|---|
| 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) |
|---|---|

Dear Sirs

Sub : Submission of Unaudited Financial Results along with Limited Review Report for the Third Quarter ended 31st December, 2014

Enclosed please find the Unaudited Financial Results of the Company for the Third Quarter ended 31st December, 2014 in the prescribed format in terms of requirement of Clause-41 of the Listing Agreement. 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 7th February, 2015. 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.

The Auditors have drawn attention to note 6 to the accompanying statement of Unaudited Financial Results regarding certain documentation that is not available with the Company. However, based on the present scale of operations of the Company at Uttarpara, the management believes that the impact thereof, if any, is not expected to be material on current quarter's and nine months financial results.

We have sent the said results to newspapers for publication latest by 9th February, 2015.

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
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 |
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Unaudited Financial Results for the Quarter ended 31st December, 2014

(₹ in Lacs)						
	Quarter ended			Nine months ended		6 month period ended
	31.12.14	30.09.14	31.12.13	31.12.14	31.12.13	31.03.14
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Part I						
Particulars						
1 Income from Operations						
a) Net Sales / Income from Operations	15	607	8674	1427	28214	17953
b) Other Operating Income	-	3	140	76	430	325
Total Income from Operations (Net)	15	610	8814	1503	28644	18278
2 Expenses						
a) Cost of materials consumed	15	499	6412	999	20717	11252
b) Purchase of Traded Goods	13	39	760	89	2222	2465
c) (Increase)/ Decrease in Finished Goods, Stock-in-Trade and Work-in-Progress	12	12	52	242	(1019)	1220
d) Employee Benefits Expense	986	161	2220	2295	6891	4370
e) Depreciation and Amortisation Expense	52	51	407	159	1258	844
f) Other Expenses	268	330	1654	995	6242	3447
Total Expenses	1346	1092	11505	4779	36311	23598
3 Profit / (Loss) from Operations before Other Income, Finance costs & Exceptional items (1-2)	(1331)	(482)	(2691)	(3276)	(7667)	(5320)
4 Other Income	348	110	395	555	636	619
5 Profit / (Loss) before Finance costs & Exceptional items (3+4)	(983)	(372)	(2296)	(2721)	(7031)	(4701)
6 Finance Costs	214	197	394	613	1554	5644
7 Profit/ (Loss) after Finance Costs but before Exceptional items (5-6)	(1197)	(569)	(2690)	(3334)	(8585)	(10345)
8 Exceptional items	-	-	1139	-	4306	10275
9 Profit/ (Loss) before Tax (7+8)	(1197)	(569)	(1551)	(3334)	(4279)	(70)
10 Tax Expenses						
a) Current Tax	-	-	-	-	-	237
b) Deferred Tax	-	-	-	-	247	-
c) Tax provision for earlier years (Net)	-	-	-	-	-	-
11 Net Profit / (Loss) after tax before Minority interest & Share of Profit / (Loss) of Associate (9-10)	(1197)	(569)	(1551)	(3334)	(4032)	(307)
12 Paid-up Equity Share Capital* (Face value = Rs.5)	10433	10433	9239	10433	9239	9239
13 Reserves (excl. Revaluation Reserves)						(13470)
14 Earnings per share (not annualised)						
a) Basic (Rs.)	-0.57	-0.31	-0.84	-1.73	-2.18	-0.17
b) Diluted (Rs.)	-0.57	-0.31	-0.84	-1.73	-2.18	-0.17
* Excluding amount in respect of forfeited shares						
Part II						
A Particulars of Shareholding						
1 Public Shareholding						
- Number of Shares	141186039	141186039	117298739	141186039	117298739	117298739
- Percentage of Shareholding	67.66%	67.66%	63.48%	67.66%	63.48%	63.48%
2 Promoters and Promoter Group Shareholding						
a) Pledged/Encumbered						
- Number of Shares	26271854	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%	38.94%
- Percentage of Shares (as a % of the total share capital of the company)	12.59%	12.59%	14.22%	12.59%	14.22%	14.22%
b) Non-encumbered						
- Number of Shares	41201400	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%	61.06%
- Percentage of Shares (as a % of the total share capital of the company)	19.75%	19.75%	22.30%	19.75%	22.30%	22.30%

B	Particulars	Quarter ended 31.12.2014
	Investor Complaints	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	12
	Disposed of during the quarter	12
	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 7th February 2015.
- 2) The above results of earlier periods include profit/(loss) from discontinued operation i.e “Chennai Car Plant” of the Company, which was sold to HMFCL w.e.f 30th March 2014 pursuant to Business Transfer Agreement. The details are as below:

(₹ in Lacs)						
Particulars	Quarter ended			Nine months ended		1.10.2013 to
	31.12.14	30.09.14	31.12.13	31.12.14	31.12.13	29.03.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income from Operations						
a) Net Sales / Income from Operations	-	-	5856	-	19990	13009
b) Other Operating Income	-	-	105	-	278	243
Total income from Operations (Net)	-	-	5961	-	20268	13252
2 Expenses						
a) Cost of materials consumed	-	-	4877	-	14998	8380
b) Purchase of Traded Goods	-	-	444	-	1190	1958
c) (Increase) / Decrease in Finished Goods, Stock-in-Trade and Work-in-Progress	-	-	(669)	-	(1033)	(166)
d) Employee Benefits Expense	-	-	522	-	1626	757
e) Depreciation and Amortisation Expense	-	-	307	-	963	591
f) Other Expenses	-	-	1008	-	3748	2060
Total Expenses	-	-	6489	-	21492	13580
3 Profit / (Loss) from Operations before Other Income, Finance costs & Exceptional items (1-2)	-	-	(528)	-	(1224)	(328)
4 Other Income	-	-	285	-	345	327
5 Profit/ (Loss) before Finance costs & Exceptional items (3+4)	-	-	(243)	-	(879)	(1)
6 Finance Costs	-	-	132	-	444	202
7 Profit/ (Loss) after Finance Costs but before Exceptional items (5-6)	-	-	(375)	-	(1323)	(203)
8 Exceptional items	-	-	-	-	-	-
9 Profit/ (Loss) before Tax (7+8)	-	-	(375)	-	(1323)	(203)
10 Tax Expenses (including deferred tax)	-	-	-	-	(213)	-
11 Net Profit / (Loss) for the period (9-10)	-	-	(375)	-	(1110)	(203)

- 3) 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.
- 4) 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.
- 5) The operating results have been adversely affected due to adverse market conditions and the accumulated losses of the Company as at 31st March 2014 (being the last audited financial statements) stand at ₹ 15200 lacs as against the share capital of ₹ 9247 lacs. Also current liabilities as at 31st March 2014 exceed current assets by ₹ 8771 lacs. The Company has also declared “Suspension of work” at its Uttarpara plant w.e.f. 24th May 2014 & layoff at its Pithampur plant w.e.f. 4th December, 2014 (refer note 6 below). 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 including rationalizing the costs. The Management believes that these measures may 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 had also given Emphasis of Matter on above.
- 6) 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. The Company has also declared layoff at its Pithampur plant with effect from 4th December, 2014 due to lack of orders. Consequently, current quarter’s financial results are not comparable with financial results of earlier periods.
Based on legal opinion obtained, the employees and workmen, falling under the purview of “Suspension of work” at Uttarpara plant, are not entitled to any salary & wages during that period and accordingly the Company has not provided for such salary & wages.
Further, in view of the consequent employee agitations, the management does not have access to certain books, records and other underlying source documents in relation to operational and financial matters. In the absence of such records, material consumption for production during the quarter / nine months have been considered based on standard consumption norms. However, based on the present scale of operations of the Company at Uttarpara, the management believes that the impact thereof, if any, is not expected to be material on current quarter’s and nine months financial results.
- 7) During the quarter, the Company reached a compensation settlement with the permanent employees/workmen of the Company through a Voluntary Retirement Scheme (VRS). Out of the total compensation, an amount of Rs.390.50 Lacs has been charged in the quarter under review included in employee benefit expenses and balance Rs.390.50 Lacs will be charged in the quarter ended 31st March 2015.

- 8) 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.
- 9) Effective from 1st April 2014, the Company has charged depreciation based on the revised remaining useful lives of the assets as per the requirement of Schedule II of the Companies Act, 2013. Due to above, depreciation charge for the quarter ended 31st December 2014, is lower by ₹ 33.15 lacs.
- 10) Prior period figures have been re-grouped / rearranged, wherever necessary.



Place: Kolkata
Dated: 7th February, 2015

By Order of the Board


Uttam Bose
Director

RAY & RAY

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REVIEW REPORT

To
The Board of Directors of
Hindustan Motors Limited

1. We have reviewed the accompanying statement of standalone un-audited financial results ("the Statement") of Hindustan Motors Limited ("the Company") for the quarter and nine-months ended 31st December, 2014 being submitted by the Company pursuant to clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures regarding 'Public Shareholding', 'Promoter and Promoter Group Shareholding' and 'Investor Complaints' referred to in paragraph 6 below. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors at its meeting held on 7th February, 2015. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review of the financial statements in accordance with the Standard on Review Engagement (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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *We draw attention to note 6 to the accompanying Statement of Unaudited Financial Results regarding certain documentation that is not available with the company. In the absence of such documentation, we are unable to comment on the consequential effects, if any, of the same on the financial results. However, based on the present scale of operations of the Company at Uttarpara, the management believes that the impact thereof, if any, is not expected to be material on current quarter's and nine-months financial results.*
4. Without qualifying our opinion, attention is drawn to the following note to the unaudited financial results:

Note 5 to the accompanying Statement of Unaudited Financial Results regarding preparation of the accounts on a 'going concern' basis. The Company has been incurring losses and its net worth stands fully eroded and also, its current liabilities exceeded its current assets. Also, the Company has suspended operations in its Uttarpara plant and declared layoff at its Pithampur plant. 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.



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5. Based on our review conducted as stated above, *except for the possible effects of the matter stated in para 3 above*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. Further, we also report that we have traced the number of shares as well as the percentage of shareholdings in respect of the aggregate amount of public shareholdings in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investors complaints disclosed for the quarter and nine-months ended 31st December, 2014 of the Statement, from the details furnished by the management.

For RAY & RAY
Chartered Accountants
(Registration No. 301072E)

Place: Kolkata,
Date: 7th February, 2015


(Asish Kumar Mukhopadhyay)
Partner
Membership No. 056359

