

# Hindustan Motors

Registered Office :  
Hindustan Motors Limited  
Birla Building, 14th Floor  
9/1, R. N. Mukherjee Road  
Kolkata - 700 001

CIN-L34103WB1942PLC018967  
T +91 033 22420932 (D) F +91 033 22480055  
T +91 033 30573700 hmcosecy@hindmotor.com  
T +91 033 30410900 www.hindmotor.com



5<sup>th</sup> August, 2014

- 1 The Manager, Listing Department  
National Stock Exchange of India Ltd  
Exchange Plaza, 5<sup>th</sup> 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<sup>st</sup> 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 Sir(s),

Enclosed please find two statements (Annexure A and Annexure B) of Audited Financial Results of the Company for the six month period ended 31<sup>st</sup> March, 2014. While the statement marked Annexure-A is the one which is being published in the newspapers in terms of requirement of Clause 41 of the Listing Agreement, the other marked Annexure-B is in terms of Clause 20 of the Listing Agreement. The results were approved by the Board of Directors of the Company at its meeting held on date. The Audited Financial Results (Annexure A) is being published in the newspaper on 6<sup>th</sup> August, 2014.

Enclosed please also find Auditor's Report on Financial Results for the quarter ended 31<sup>st</sup> March, 2014 and for the six month period ended 31<sup>st</sup> March, 2014 of the Company pursuant to the Clause 41 of the Listing Agreement.

A line of acknowledgement, in the meantime, shall be awaited.

Thanking you,

Yours faithfully  
For Hindustan Motors Limited

Uttam Bose  
Director

Encl: As above

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

**Hindustan Motors Limited**  
**Regd. Office "Birla Building", 14<sup>th</sup> Floor,**  
**9/1, R.N.Mukherjee Road,**  
**Kolkata-700 001.**

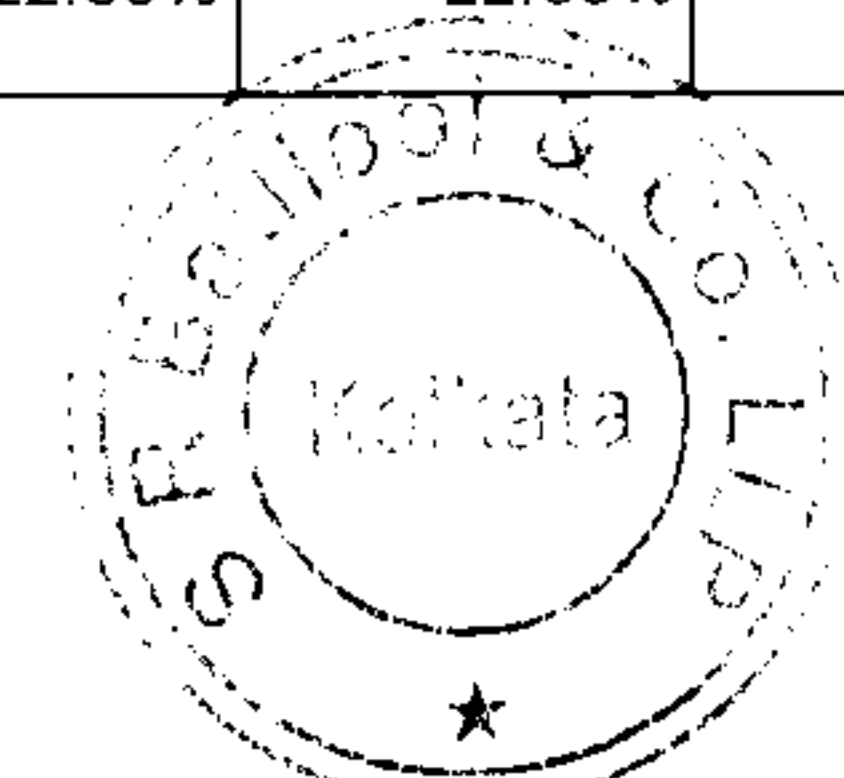
*Annexure - A*  
**CIN-L34103WB1942PLC018967**  
**T +91 033 22420932**  
**F +91 033 22480055**  
**Email-hmcosecy@hindmotor.com**  
**Website-www.hindmotor.com**

**Audited Financial Results for the Quarter / 6 month period ended 31<sup>st</sup> 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) |              |              |                      |                       |                      |                       |
| <b>Part I</b>                                                                                            |                |              |              |                      |                       |                      |                       |
| <b>Particulars</b>                                                                                       |                |              |              |                      |                       |                      |                       |
| 1 <b>Income from Operations</b>                                                                          |                |              |              |                      |                       |                      |                       |
| a) Net Sales / Income from Operations                                                                    | 9172           | 8781         | 17233        | 17953                | 71837                 | 17953                | 71771                 |
| b) Other Operating Income                                                                                | 292            | 33           | 125          | 325                  | 652                   | 325                  | 652                   |
| <b>Total income from Operations (Net)</b>                                                                | <b>9464</b>    | <b>8814</b>  | <b>17358</b> | <b>18278</b>         | <b>72289</b>          | <b>18278</b>         | <b>72423</b>          |
| 2 <b>Expenses</b>                                                                                        |                |              |              |                      |                       |                      |                       |
| 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                 |
| <b>Total Expenses</b>                                                                                    | <b>12093</b>   | <b>11505</b> | <b>18319</b> | <b>23598</b>         | <b>86372</b>          | <b>23601</b>         | <b>86526</b>          |
| 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                                                        |                |              |              |                      |                       |                      |                       |
| <b>Part II</b>                                                                                           |                |              |              |                      |                       |                      |                       |
| <b>A Particulars of Shareholding</b>                                                                     |                |              |              |                      |                       |                      |                       |
| 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</b>           |                                                | <b>Quarter ended 31.03.2014</b> |     |
|------------------------------|------------------------------------------------|---------------------------------|-----|
| <b>B Investor Complaints</b> | 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:**

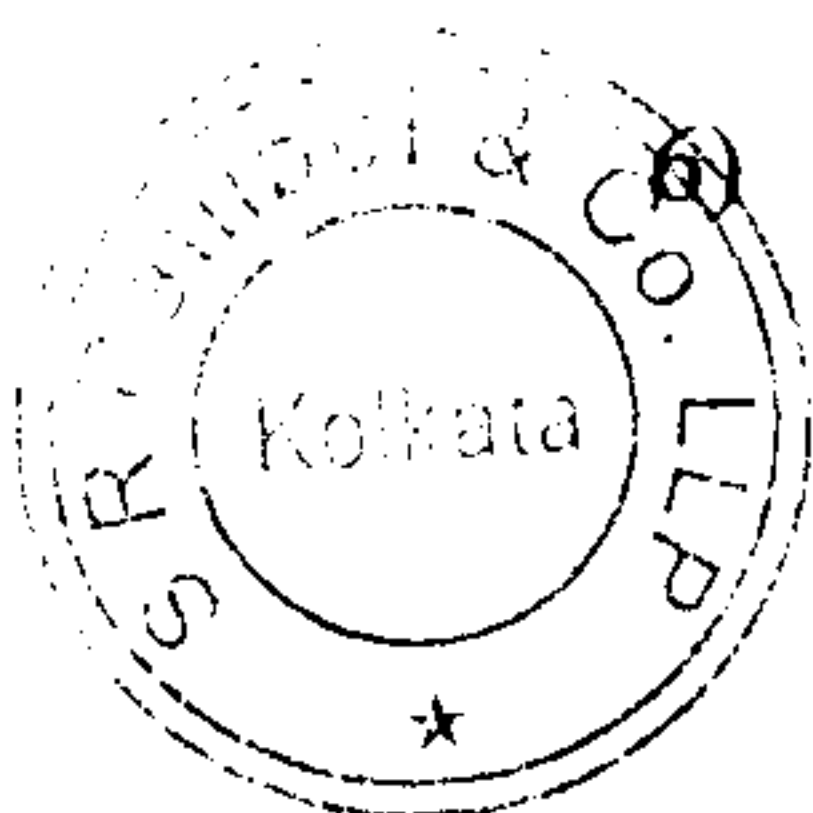
1) Statement of Assets and Liabilities

(Rupees in Lacs)

| Particulars                         | Stand-alone                    |                                | Consolidated                   |                                |
|-------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                                     | As at<br>31.03.14<br>(Audited) | As at<br>30.09.13<br>(Audited) | As at<br>31.03.14<br>(Audited) | As at<br>30.09.13<br>(Audited) |
| <b>A EQUITY AND LIABILITIES</b>     |                                |                                |                                |                                |
| 1 Shareholders' Funds               |                                |                                |                                |                                |
| (a) Share Capital                   | 9247                           | 9247                           | 9247                           | 9247                           |
| (b) Reserves and Surplus            | (12740)                        | (12407)                        | (12768)                        | (12538)                        |
| Sub-total - Shareholders' Funds     | <b>(3493)</b>                  | <b>(3160)</b>                  | <b>(3521)</b>                  | <b>(3291)</b>                  |
| 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 | <b>1322</b>                    | <b>2130</b>                    | <b>1322</b>                    | <b>2130</b>                    |
| 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     | <b>21070</b>                   | <b>27712</b>                   | <b>21098</b>                   | <b>27756</b>                   |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>18899</b>                   | <b>26682</b>                   | <b>18899</b>                   | <b>26595</b>                   |
| <b>B ASSETS</b>                     |                                |                                |                                |                                |
| 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      | <b>6600</b>                    | <b>14504</b>                   | <b>6605</b>                    | <b>14313</b>                   |
| 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          | <b>12299</b>                   | <b>12178</b>                   | <b>12294</b>                   | <b>12282</b>                   |
| <b>TOTAL ASSETS</b>                 | <b>18899</b>                   | <b>26682</b>                   | <b>18899</b>                   | <b>26595</b>                   |

\* 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 5<sup>th</sup> August, 2014.
- As the accumulated losses of the Company at the end of the financial year ended 30<sup>th</sup> 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 1<sup>st</sup> October, 2013 to 31<sup>st</sup> March, 2014 and hence the previous year's figures, which is for eighteen month period ended 30<sup>th</sup> 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 31<sup>st</sup> March, 2014 and the unaudited published year-to-date figures up to 31<sup>st</sup> December, 2013, which was subject to limited review.
- Pursuant to Business Transfer Agreement dated 14<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> March 2014 pursuant to Business Transfer Agreement dated 14<sup>th</sup> February, 2014 as referred in note 6 above.

(Rupees in Lacs)

| Particulars                                                                                              | Period                       |                               |                              |                            |
|----------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------|------------------------------|----------------------------|
|                                                                                                          | 1.1.2014<br>to<br>29.03.2014 | 1.10.2013<br>to<br>31.12.2013 | 1.1.2013<br>to<br>31.03.2013 | 1.10.2013<br>to 29.03.2014 |
|                                                                                                          | (Audited)<br>(Refer note 5)  | (Unaudited)                   | (Unaudited)                  | (Audited)                  |
| <b>1 Income from Operations</b>                                                                          |                              |                               |                              |                            |
| a) Net Sales / Income from Operations                                                                    | 7153                         | 5856                          | 11161                        | 13009                      |
| b) Other Operating Income                                                                                | 138                          | 105                           | 50                           | 243                        |
| <b>Total income from Operations (Net)</b>                                                                | <b>7291</b>                  | <b>5961</b>                   | <b>11211</b>                 | <b>13252</b>               |
| <b>2 Expenses</b>                                                                                        |                              |                               |                              |                            |
| 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                       |
| <b>Total Expenses</b>                                                                                    | <b>7091</b>                  | <b>6489</b>                   | <b>10136</b>                 | <b>13580</b>               |
| <b>3 Profit /(Loss) from Operations before Other Income, Finance costs &amp; Exceptional items (1-2)</b> | <b>200</b>                   | <b>(528)</b>                  | <b>1075</b>                  | <b>(328)</b>               |
| <b>4 Other Income</b>                                                                                    | <b>42</b>                    | <b>285</b>                    | <b>98</b>                    | <b>327</b>                 |
| <b>5 Profit/ (Loss) before Finance costs &amp; Exceptional items (3+4)</b>                               | <b>242</b>                   | <b>(243)</b>                  | <b>1173</b>                  | <b>(1)</b>                 |
| <b>6 Finance Costs</b>                                                                                   | <b>70</b>                    | <b>132</b>                    | <b>135</b>                   | <b>202</b>                 |
| <b>7 Profit/ (Loss) after Finance Costs but before Exceptional items (5-6)</b>                           | <b>172</b>                   | <b>(375)</b>                  | <b>1038</b>                  | <b>(203)</b>               |
| <b>8 Exceptional items</b>                                                                               | <b>-</b>                     | <b>-</b>                      | <b>-</b>                     | <b>-</b>                   |
| <b>9 Profit/ (Loss) before Tax (7+8)</b>                                                                 | <b>172</b>                   | <b>(375)</b>                  | <b>1038</b>                  | <b>(203)</b>               |
| <b>10 Tax Expenses (including deferred tax)</b>                                                          | <b>-</b>                     | <b>-</b>                      | <b>(92)</b>                  | <b>-</b>                   |
| <b>11 Net Profit / (Loss) for the period (9-10)</b>                                                      | <b>172</b>                   | <b>(375)</b>                  | <b>1130</b>                  | <b>(203)</b>               |

- 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 28<sup>th</sup> 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 31<sup>st</sup> 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 24<sup>th</sup> 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 31<sup>st</sup> 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.

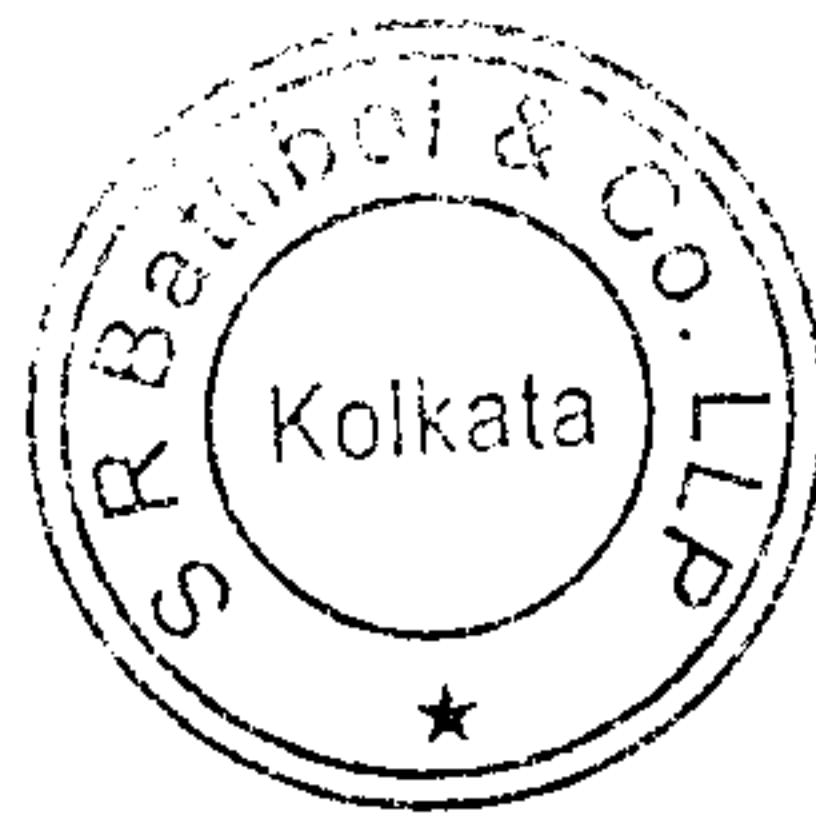
- 14) During the quarter, Hindustan Motor Finance Corporation Limited (HMFCL) ceased to be an associate Company.
- 15) As the Company's business activity falls within a single primary business segment, viz., "Automobiles" and there is no reportable secondary segment i.e. geographical segment, the disclosure 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**



**Uttam Bose**  
**Director**

Kolkata  
Dated: 5<sup>th</sup> August, 2014

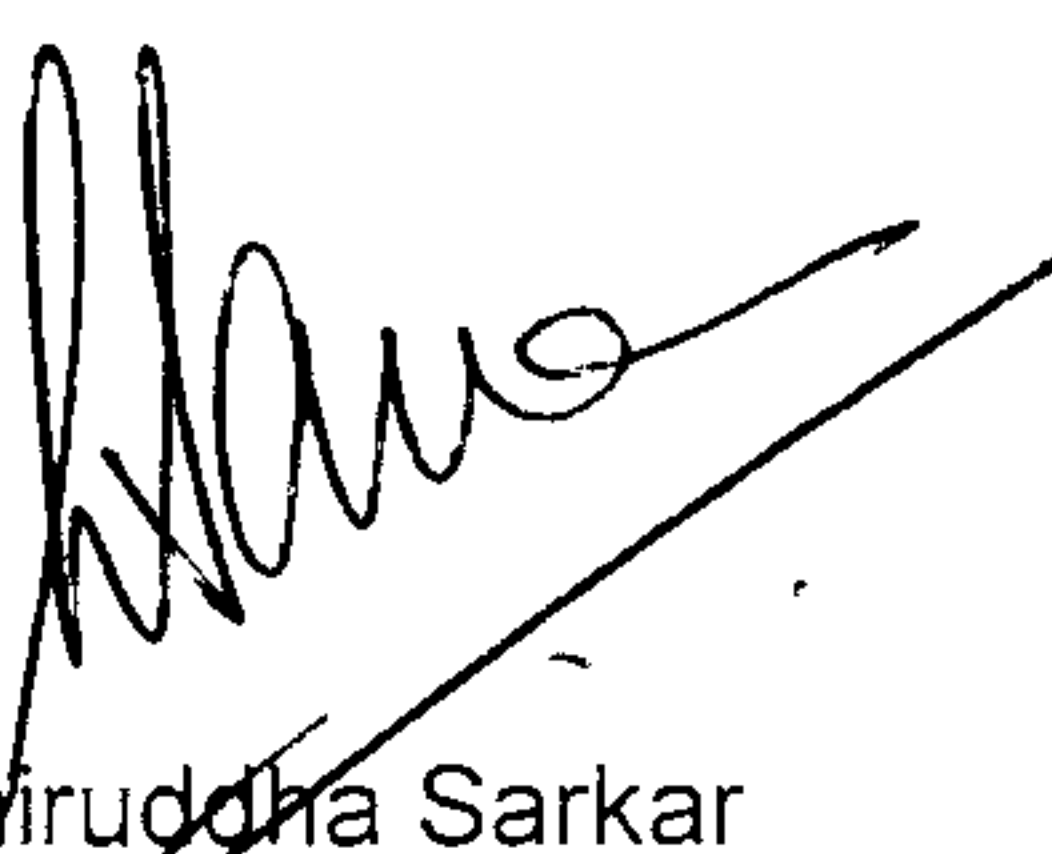


(Meeting of the Board of Directors of the  
Company held on 05.08.14 at 2.30 PM)

Name of the Company : HINDUSTAN MOTORS LIMITED

(A) AUDITED FINANCIAL RESULTS FOR 6 MONTH PERIOD ENDED 31ST MARCH, 2014.

| Particulars                                                                                               | (Rs. in lacs)                       |                                         |
|-----------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------|
|                                                                                                           | 6 month<br>period ended<br>31.03.14 | 18 month<br>period<br>ended<br>30.09.13 |
| 1 Net Revenue from Operations                                                                             | 18278                               | 72289                                   |
| 2 Other Income                                                                                            | 619                                 | 1173                                    |
| 3 Total Expenditure                                                                                       | 22754                               | 84175                                   |
| 4 Gross Profit/ Loss<br>(before deducting any of the following :)                                         | (3857)                              | (10713)                                 |
| (a) Finance Costs                                                                                         | 5644                                | 3089                                    |
| (b) Depreciation and Amortisation Expense                                                                 | 844                                 | 2197                                    |
| 5 Profit/(Loss) before Exceptional Items and Tax                                                          | (10345)                             | (15999)                                 |
| 6 Exceptional Items                                                                                       | 10275                               | 8001                                    |
| 7 Profit/(Loss) before Tax                                                                                | (70)                                | (7998)                                  |
| 8 Tax Expenses                                                                                            | 237                                 | (878)                                   |
| 9 Profit/(Loss) for the Year                                                                              | (307)                               | (7120)                                  |
| 10 Surplus/(Deficit) in the Statement of Profit & Loss (Opening)                                          | (14892)                             | (7772)                                  |
| 11 Surplus/(Deficit) in the Statement of Profit & Loss (Closing)                                          | (15199)                             | (14892)                                 |
| 12 Dividend (in Rs)                                                                                       | Nil                                 | Nil                                     |
| Per Equity Share                                                                                          |                                     |                                         |
| 13 Paid up Equity Share Capital (Face value = Rs.5)<br>(Excluding amount in respect for forfeited shares) | 9239                                | 9239                                    |
| 14 Reserves excluding Revaluation Reserves                                                                | (13470)                             | (13163)                                 |
| (B) Particulars of proposed Rights/Bonus issue, if any                                                    | None                                | None                                    |
| (C) Date from which the dividend is payable                                                               | N/A                                 | N/A                                     |
| (D) Remarks/qualifications, if any :-                                                                     | -                                   | -                                       |



Aniruddha Sarkar  
Chief Financial Officer & Head Legal

**Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Clause 41 of the Listing Agreement**

To  
Board of Directors of Hindustan Motors Limited,

1. We have audited the quarterly financial results of Hindustan Motors Limited for the quarter ended March 31, 2014 and the financial results for six months period ended March 31, 2014, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, 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 audited by us. The quarterly financial results are the derived figures between the audited figures in respect of six months period ended March 31, 2014 and the published year-to-date figures up to December 31, 2013, being the date of the end of the first quarter of the current financial year, which were subjected to limited review. The financial results for the quarter ended March 31, 2014 have been prepared on the basis of the financial results for three-month period ended December 31, 2013, the audited annual financial statements as at and for six month period ended March 31, 2014, and the relevant requirements of Clause 41 of the Listing Agreement and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for three month period ended December 31, 2013 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, notified under the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for six month period ended March 31, 2014; and the relevant requirements of Clause 41 of the Listing Agreement.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our opinion, attention is drawn to the following notes to the financial results:
  - a) Note 10 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 exceed its current assets. Also, the Company has sold its Chennai Plant and has suspended operations in its Uttarpara plant. These conditions indicate the existence of a material uncertainty that may cast significant doubt about

# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

the Company's ability to continue as a going concern, which is dependent on the Company establishing profitable operations.

- b) Note 12 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.
4. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:
- i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
  - ii. give a true and fair view of the net profit/ loss and other financial information for the quarter ended March 31, 2014 and for six months period ended March 31, 2014.
5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2014 represent the derived figures between the audited figures in respect of six months period ended March 31, 2014 and the published year-to-date figures up to December 31, 2013, being the date of the end of the first quarter of six months period ended March 31, 2014, which was subjected to a limited review as stated in paragraph 1 above, as required under Clause 41(I)(d) of the Listing Agreement.
6. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

**For S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E

  
per Raj Agrawal

Partner

Membership No.: 82028

Place: Kolkata

Dated: August 05, 2014

