Hindustan Motors

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22nd September, 2015

Corporate Relationship Department
BSE Limited
1st floor, New Trading Ring
Rotunda Building, P. J. Towers
Dalal Street, Fort
Mumbai – 400 001
(Company Code : 500500)

Dear Sir

Sub: Clarification-Media Report

This has reference to your e mail dated 21st September, 2015 asking to submit clarification on the Media report titled "*Hind Motor looks to monetise land as workers refuse to accept VRS*" published in the Business Standard on 21st September, 2015.

We would like to clarify that the report is speculative and not in agreement specially the information that the Company is mulling over monetizing land available with Uttarpara Plant (UTP). As reported earlier, the Company is exploring avenues for alternate use of its assets to meet its overdue liabilities, subject to necessary approvals (Page- 16 of Annual Report 2014-15). Therefore, the Company may consider selling or leasing some of its surplus assets to generate cash to meet its liabilities and expenses for safeguarding its assets, for payment to working employees, for doing statutory compliances and for running operation. However, sale of assets is subject to the various approvals including lenders as may be applicable. Further, the Company requires approval of Government of West Bengal for transfer of land at UTP. The Company is yet to take any decision in this matter. We would keep you informed as and when there will be any material development in respect of sale/transfer of land at UTP.

The Company has announced Voluntary Retirement Scheme (VRS) for all permanent "grade scale staff and technicians" of the Company on 15th September, 2015 and the same has been reported to the Stock Exchange on the same day. The response of VRS can be assessed only after its closure.

Thanking you,

Yours faithfully,
For Hindustan Motors Limited

Tarun Kumar Kabra
Company Secretary

CC:

The Manager, Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, 5th floor
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Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 051
(Company Code: HINDMOTORS)