



HINDUSTAN MOTORS LIMITED

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

NOTICE FOR VOTING BY POSTAL BALLOT

Dear Member(s),

Notice is hereby given that pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the resolution appended below is proposed to be passed by way of Postal Ballot as Special Resolution.

The Explanatory Statement pertaining to the said resolution setting out the material facts and the reasons therefore is annexed. The said Special Resolution and the Explanatory Statement are being sent to you along with a Postal Ballot Form for your consideration.

The Board of Directors of the Company at its meeting held on 26th December, 2013 has appointed Shri Anjan Kumar Roy, FCS, a Company Secretary in practice of DPS Business Centre, 9A, Sebak Baidya Street, Kolkata – 700 029 as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to read the instructions carefully and return the Postal Ballot Form duly completed in the enclosed self-addressed, postage pre-paid envelope so as to reach the Scrutinizer **on or before the close of working hours i.e. 5.30 PM on 1st February, 2014**. Postal Ballots received after this date will be treated as invalid. Alternatively, you may cast your votes by responding electronically (e-voting) in the manner described in the said instructions so as to be received **by 5.30 PM on 1st February, 2014**. Responses received after this date will be treated as invalid.

The Scrutinizer will submit his report on completion of scrutiny and the result of Postal Ballot shall be announced at the registered office of the Company on 4th February, 2014.

The Special Resolution appended below shall be declared passed if the number of votes cast in favour are not less than three times the number of votes, if any, cast against the Resolution.

Special Resolution

To consider and, if thought fit, to pass with or without modification(s), if any, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable statutory provisions, if any, and subject to approval of lenders as per terms of the respective loan agreements and Corporate Debt Restructuring package, and such other approvals/permissions as may be required, consent be and is hereby accorded to the Board of Directors of the Company (“the Board” which expression shall also include a committee thereof) to sell, lease or otherwise dispose of the whole or substantially the whole or part of the Chennai Car Plant of the Company at Adigathur, Kadambathur in District Tiruvallur in the State of Tamil Nadu to such person or persons and for such consideration which shall not be less than Rs.150 crores and in such manner and on such terms and conditions as the Board in its absolute discretion may deem fit and proper.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid, the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and expedient including finalising the terms and conditions, method and modes of disposal of the Chennai Car Plant as aforesaid, determining the exact effective date, filing applications, making representations and finalizing and executing necessary documents including agreements, deed of assignment/ conveyance and other documents including the power to delegate and to settle any question or difficulty that may arise with regard to implementation of the aforesaid resolution.

RESOLVED FURTHER THAT the Board/Committee of Directors be and are hereby authorized to delegate all or any of the powers herein conferred to any Director(s) or any other officer(s)/authorized representative(s) of the Company to give effect to the aforesaid resolution.”

By Order of the Board
For **HINDUSTAN MOTORS LIMITED**

Yogesh Goenka
Chief Financial Officer and
Company Secretary

Place: Kolkata
Date : 26th December, 2013

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

The undertakings of the Company are situated at three locations as follows:-

A. Hindmotor, Uttarpara in District Hooghly in the State of West Bengal:

Automobile Unit: Undertaking engaged primarily in the business of manufacture of vehicles like Ambassador brand of passenger cars and spare parts thereof. In addition, Winner brand of light commercial vehicles are also manufactured in such undertaking. These brands are owned by the Company.

B. Chennai, Adigathur, Kadambathur in District Tiruvallur in the State of Tamil Nadu:

Chennai Car Plant: Undertaking engaged in the business of manufacture and trading of passenger vehicles like Pajero Sport, Cedia, Outlander and Montero brands of Cars and spare parts of the same. These brands are owned by Mitsubishi Motors Corporation, Japan and the said cars are manufactured in technical collaboration with them. The Chennai Car Plant is also engaged in contract manufacturing of vehicles for Isuzu Motors India Private Limited.

C. Pithampur at Pithampur, Sector III, Sagore 454 774 in District Dhar in the State of Madhya Pradesh:

Pithampur Plant: Undertaking engaged in the business of manufacture and sale of utility and commercial vehicles and spare parts of the same; and undertaking job contracts for other manufacturers.

The business of the Company has been under strain. The Company has been exploring various possibilities for cutting its losses and improving its performance. One of the ways in which this has been sought to be achieved is by demerger of the Chennai Car Plant of the Company to a separate company, namely Hindustan Motor Finance Corporation Limited, with the objective ultimately of inducting a suitable investor/ global leader therein. However, since filing of the Scheme of Arrangement for demerger various developments and changes had taken place without the Scheme having come into effect. In view, inter alia, of the aforesaid the Board of Directors of the Company considered it desirable and expedient to withdraw the Scheme in the present facts and circumstances and pursue other alternatives for restructuring and revival.

In the present day and circumstances, it is imperative to induct a suitable investor / global leader in the respective businesses for viability in the long term and therefore, the Company has been looking at suitable proposals for the Chennai Car Plant.

The Company has been in touch with consultants and interested parties and has received enquiries for direct and complete acquisition of the Chennai Car Plant.

In view of the aforesaid and urgent need to cut losses, it is considered expedient to divest the Chennai Car Plant in such manner and on such terms and conditions, including price, as may be negotiated with the prospective acquirers and be acceptable to the Company. Divestment of the Chennai Car Plant will also not affect other operations of the Company.

The resolution is proposed accordingly for divestment of the whole or such part of the Chennai Car Plant, in such manner and on such terms and conditions as may be mutually agreed between the Company and the interested party. The minimum price expected by the Company from divestment of the undertaking is indicated in the resolution.

In terms of Section 180(1)(a) of the Companies Act, 2013 and Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the sale, lease or disposal of undertaking requires approval of members by Special Resolution by way of a postal ballot. Accordingly, approval of members to the Special Resolution set out above is being sought through postal ballot.

The Directors recommend the resolution for your approval as Special Resolution.

None of the Directors and Key Managerial Persons of the Company and their relatives are in any way concerned or interested in the Resolution.

By Order of the Board
For HINDUSTAN MOTORS LIMITED

Yogesh Goenka
*Chief Financial Officer and
Company Secretary*

Place: Kolkata
Date : 26th December, 2013