

February 9, 2016

The Listing Department,
Bombay Stock Exchange,
Floor 25, P J Towers,
Dalal Street,
Mumbai – 400 001.

The Listing Department,
National Stock Exchange of India Limited,
“Exchange Plaza”
Plot No. C/1, G Block,
Bandra - Kurla Complex,
Bandra East,
Mumbai 400 051.

Dear Sir,

Regulation 30 & 33 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015

This is to inform you that at the meeting held today, (Commenced at 3.00 p.m. and concluded at 6.20 p.m.) the Board of Directors of the Company have approved the Unaudited Financial Results for the quarter and fifteen months ended December 31, 2015.

A copy of the Statement of Unaudited Financial Results is attached herewith.

Kindly take the above on record.

Thanking You,

Yours Faithfully,
For Hinduja Foundries Limited,


S VENKATASUBRAMANIAN
COMPANY SECRETARY

HINDUJA FOUNDRIES LIMITED

Corporate Office : 477-482, Anna Salai, Khivraj Complex II, 7th Floor, Nandanam, Chennai-600 035.

Phone : 044-42016742, 42013548, Fax : 044-42021443 Website : www.hindujafoundries.com

Regd. Office : Kathivakkam High Road, Ennore, Chennai – 600 057.

CIN: L27104TN1959PLC003849



Hinduja Foundries Limited

Statement of standalone unaudited results for the quarter and fifteen months ended December 31, 2015

Rs in lakhs

Sl. No	Particulars	Quarter ended			Fifteen months ended		Financial Year (Eighteen months) ended
		December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014	September 30, 2014
		(Unaudited)	(Unaudited)	(Unaudited) (See Note 5)	(Unaudited) (See Note 5)	(Unaudited) (See Note 5)	(Audited) (See Note 5)
1	Income from operations						
	(a) Net sales/income from operations (Net of excise duty)	13,210.83	15,630.96	13,697.72	70,471.71	80,341.32	99,679.30
	(b) Other operating income	57.86	95.62	14.19	278.61	172.88	232.04
	Total income from operations (net)	13,268.69	15,726.58	13,711.91	70,750.32	80,514.20	99,911.34
2	Expenses						
	(a) Cost of materials consumed	5,665.34	7,325.45	7,069.67	34,123.82	40,216.22	49,909.98
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	786.96	(310.21)	114.28	(411.49)	1,867.87	1,212.21
	(d) Employee benefits expense	2,631.71	2,555.79	2,776.54	14,317.21	15,718.55	19,468.15
	(e) Depreciation and amortisation expense	1,187.44	1,225.41	1,434.27	6,508.60	6,408.61	7,224.56
	(f) Power and fuel	2,396.75	2,838.71	2,325.92	12,825.68	13,956.88	17,583.65
	(g) Other expenses	2,432.19	2,739.31	2,284.20	13,116.91	15,744.20	19,709.26
	Total expenses	15,100.39	16,374.46	16,004.88	80,480.73	93,912.33	115,107.81
3	Profit / (loss) from operations before other income, finance costs and exceptional items (1 - 2)	(1,831.70)	(647.88)	(2,292.97)	(9,730.41)	(13,398.13)	(15,196.47)
4	Other income	34.50	44.23	3.00	488.18	546.84	694.72
5	Profit / (loss) from ordinary activities before finance costs and exceptional items (3 + 4)	(1,797.20)	(603.65)	(2,289.97)	(9,242.23)	(12,851.29)	(14,501.75)
6	Finance costs	2,445.98	2,416.73	2,014.85	11,117.41	9,258.98	10,612.54
7	Profit / (loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	(4,243.18)	(3,020.38)	(4,304.82)	(20,359.64)	(22,110.27)	(25,114.29)
8	Exceptional items (refer note 6)	(352.73)	(6,551.97)	(331.11)	(13,650.81)	(1,460.64)	(1,129.53)
9	Profit / (loss) from ordinary activities before tax (7 - 8)	(4,595.91)	(9,572.35)	(4,635.93)	(34,010.45)	(23,570.91)	(26,243.82)
10	Tax expense / (credit)	-	-	-	-	-	-
11	Net Profit / (loss) from ordinary activities after tax (9 - 10)	(4,595.91)	(9,572.35)	(4,635.93)	(34,010.45)	(23,570.91)	(26,243.82)
12	Extraordinary items (net of tax expense Nil)	-	-	-	-	-	-
13	Net Profit / (loss) for the period (11 - 12)	(4,595.91)	(9,572.35)	(4,635.93)	(34,010.45)	(23,570.91)	(26,243.82)
14	Paid-up equity share capital (Face value of Rs.10/- each)	7,265.46	7,265.46	7,265.46	7,265.46	7,265.46	7,265.46
15	Reserve excluding revaluation reserves as per balance sheet of previous accounting year						(39,407.01)
16	Earnings per share (after extraordinary items) (of Rs.10/- each) :						
	(a) Basic and diluted - (Rs.)	(7.53)	(14.38)	(7.59)	(52.81)	(45.70)	(65.07)
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 09, 2016. The same has been subjected to limited review by the Statutory Auditors. Their report is unqualified.
- The Company operates in a single business segment - castings. Further, the Company markets its products primarily in the domestic markets. Hence there are no reportable geographical segments.
- The Company has significant accumulated losses as at December 31, 2015, that have eroded the networth which raises concern over use of going concern assumption in the preparation and presentation of financial results. In February 2013, the Company had intimated to the Board for Industrial and Financial Reconstruction ('BIFR') about erosion of more than 50% of the Company's peak networth pursuant to section 23 of Sick Industrial Companies (Special Provision) Act, 1985. ('SICA'). The Company has initiated various steps to improve its operational performance / liquidity, remove bottlenecks relating to its projects, improve the networth including raising of capital etc. Based on business plans, availability of short-term and long-term bank funding arrangements, impairment testing, approval from the Board of Directors with regard to raising of funds for the operations of the Company upto Rs. 40,000 lakhs by way of securities subject to shareholders approval and in view of the commitment for continued time bound support by the promoters including assistance in relation to certain long pending matters, the Company believes that it would be able to realize its assets and settle its liabilities in the normal course at their carrying values and that no adjustments would be required in respect of the carrying value of assets/liabilities as at December 31, 2015. Accordingly, the financial statements have been prepared on a going concern basis.

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HINDUJA GROUP

- 4 The Company had acquired a piece of land from APIIC (Andhra Pradesh Industrial and Infrastructure Corporation Limited) and the registration of the land in favour of the Company would have been completed upon the Company commencing commercial production before March 31, 2012. Whilst steps were being taken to implement the project on such land, the Company has not been able to do so in view of the delays in basic infrastructural facilities (electricity, water supply etc) being made available to the Company. The Company had been seeking extension of time from the Government Authorities to implement the project.
The Telangana State Industrial Infrastructure Corporation Limited (pursuant to the formation of the state of Telangana) vide its letter dated September 29, 2015 (and its earlier correspondences) has sought to cancel the allotment of the aforesaid land and has requested the Company to surrender the possession of the vacant land by October 07, 2015 and for which it has initiated resumption proceedings on October 08, 2015. However, the Company vide its letter dated October 09, 2015 has sought a further extension of time up to March 2016 and requested for revocation of resumption proceedings. Further the Board during its board meeting held on 13 November 2015 has suggested that the management should look at alternate avenues to utilize the land so as to get maximum value of land considering the investment made on the land and its development.
- 5 The Company's previous financial year was for a period of eighteen months ended September 30, 2014 and the current financial year is for a period of eighteen months ending March 31, 2016. The aforesaid format of presenting the financial results is in the context of extended year end for the previous and current financial year. Accordingly, financial results for the quarter and fifteen months ended December 31, 2014 are disclosed as corresponding quarter and corresponding fifteen months of the previous period. The figures for the corresponding fifteen months are summation of the balancing figures between audited published figures in respect of full financial period (eighteen months ended September 30, 2014) and published period to date figures upto quarter and six months ended September 30, 2013 and figures for the quarter ended 31 December 2014. The published period to date figures upto the quarter ended September 30, 2013 and December 31, 2014 were reviewed and not subjected to audit.
- 6 Exceptional items of Rs. 352.73 Lakhs for the quarter ended December 31, 2015 represents retrospective wage revision of employees at Ennore unit for the previous twelve months and Rs. 13,650.81 Lakhs for the fifteen months ended December 31, 2015 mainly comprises expenditure incurred towards voluntary retirement arrangements and provisions in respect of non-recoverability towards assets pursuant to restructuring/discontinuance of business operations (in respect of DCU). It may be noted that, the freehold land at DCU, Hyderabad is being carried at book value which is significantly lower than the prevailing guideline value and has been classified as "asset held for sale" under "other current assets".
- 7 Effective October 01, 2014, the Company has revised the useful life of certain fixed assets based on Schedule II to the Companies Act, 2013 for the purposes of providing depreciation on fixed assets. Accordingly, the carrying amount of such assets as on October 01, 2014 has been depreciated over the remaining revised useful life of the fixed assets. Consequently, the depreciation for the quarter and fifteen months ended December 31, 2015 is higher to the extent of Rs. 75 lakhs and Rs. 729 lakhs respectively. Further, an amount of Rs. 279 lakhs representing the carrying amount of assets with revised useful life as nil, has been charged to the opening reserves as on October 01, 2014 pursuant to the Companies Act, 2013.

Place : Chennai
Date : February 9, 2016



Markus Wermers
Managing Director

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