

HINDUSTAN MOTORS LIMITED

"Birla Building", 14th Floor, 9/1, Rajendra Nath Mukherjee Road, Kolkata 700 001

NOTICE OF POSTAL BALLOT

Dear Shareholder(s)

Notice is hereby given to you to consider, and, if thought fit, approve the proposed Scheme of Arrangement between Hindustan Motors Limited and Hindustan Motor Finance Corporation Limited and their respective shareholders for demerger of Chennai Car Plant (Demerged Undertaking) of Hindustan Motors Limited to Hindustan Motor Finance Corporation Limited. Clause 5.16 of Securities and Exchange Board of India (SEBI) Circular No.CIT/CFD/DIL/5/2013 dated 4th February, 2013 as replaced by SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013 ("SEBI Circular") requires the Scheme to be put for voting by public shareholders through postal ballot and provides that *"the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it."* This notice is given accordingly in terms of such SEBI Circular and pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 for consideration of the following resolution by postal ballot :-

To consider, and, if thought fit, to pass the following resolution in terms of Clause 5.16 of the SEBI Circular :

"Resolved that the Scheme of Arrangement between Hindustan Motors Limited and Hindustan Motor Finance Corporation Limited and their respective Shareholders for demerger of Chennai Car Plant (Demerged Undertaking) of Hindustan Motors Limited to Hindustan Motor Finance Corporation Limited ("the said Scheme") be and is hereby approved and the Board of Directors of Hindustan Motors Limited or Committee thereof, be and are hereby empowered and authorised to do and execute all acts, deeds, matters and things necessary, desirable or proper for putting the said Scheme into effect; to assent from time to time to any modifications or amendments or substitutions to the said Scheme or any conditions or limitations which the Hon'ble High Court at Calcutta and / or any authorities under law may deem fit to approve or direct or as may otherwise be deemed expedient or necessary by them; and to settle all doubts or difficulties that may arise in carrying out the said Scheme."

Approval to the said Scheme by this postal ballot is sought in addition to approval to the said Scheme by shareholders of Hindustan Motors Limited at their physical meeting to be held on 23 September 2013 in terms of the order dated 8th day of August, 2013 of the Hon'ble High Court at Calcutta in Company Application No.215 of 2013 ("Court Convened Meeting"). The notice of the Court Convened Meeting with the documents accompanying the same, being copy of the said Scheme; statement under Section 393 of the Companies Act, 1956; observation letters of stock exchanges; complaints' report; and proxy form are attached herewith. **The said statement under Section 393 of the Companies Act, 1956 sets out the material facts relating to the proposal for approval of the said Scheme. The same is annexed hereto as aforesaid and may be treated as the explanatory statement under Section 173 of the Companies Act, 1956 to this notice of postal ballot as well.**

It is clarified that votes may be cast by shareholders both by postal ballot and also at the Court Convened Meeting and casting of votes by postal ballot does not disentitle them from casting their votes at the Court Convened Meeting and vice-versa. They may also chose to vote once only at their option. It is further clarified that while votes may be cast personally or by proxy at the Court Convened Meeting as provided in notice of Court Convened Meeting, exercise of votes through postal ballot is not permitted through a proxy.

The form for postal ballot along with instructions for voting are also enclosed herewith ("**Postal Ballot Form**"). **The instructions for e-voting are also included therein.** Hindustan Motors Limited has appointed Shri B. P. Dhanuka, a Practising Company Secretary 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 on 28th September, 2013.** 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 **28th September, 2013.** Responses received after this date will be treated as invalid.

The Scrutinizer will submit his report on completion of scrutiny and the results of Postal Ballot shall be announced at the registered office of the Company on 1st October, 2013.

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

Yogesh Goenka

Chief Financial Officer and
Company Secretary

Place : Kolkata

Date : 26th August, 2013