

Hindustan Motors

Registered Office :

Hindustan Motors Limited
Birla Building, 10th Floor
9/1, R. N. Mukherjee Road
Kolkata - 700 001

CIN-L34103WB1942PLC018967

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25th May, 2018

- | | |
|---|---|
| 1 The Manager, Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, 5 th 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 st floor, New Trading Ring
Rotunda Building, P. J. Towers
Dalal Street, Fort
Mumbai – 400 001
(Company Code : 500500) |
|---|---|

Dear Sir(s),

Sub: Submission of Audited Financial Results for the quarter and financial year ended 31st March, 2018

Enclosed please find the Statement of Standalone Audited Results of the Company for the quarter and financial year ended 31st March, 2018 in the prescribed format in terms of requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The results were approved by the Board of Directors of the Company at its meeting held on 25th May, 2018.

We are also enclosing herewith Audit Report of the Auditors in respect of the said financial results duly placed before the Board of Directors of the Company at its meeting held on 25th May, 2018 and Declaration in respect of Auditor's Report with unmodified opinion. The Board of Directors, while approving the Audited Financial Results had also confirmed that the Company had adopted IND-AS effective 1st April, 2017 and following the guidelines prescribed therein and shall continue to adopt the same accounting policy.

The above submission is in compliance with the requirement of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have sent the said results to newspapers for publication latest by 26th May, 2018 as per the Regulation 47(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The meeting of the Board of Directors of the Company commenced at 10.00 AM and concluded at 3.00 PM.

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

Thanking you,

Yours faithfully
For Hindustan Motors Limited

A. Sankaranarayanan
Director

Encl: As above

Hindustan Motors Limited
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9/1, R.N.Mukherjee Road,
Kolkata-700 001.

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Statement of Audited Financial Results for the Quarter/Year ended 31st March, 2018

(₹ in Lakhs)

Particulars	Quarter ended			Year Ended	
	31-03-2018	31-12-2017	31-03-2017	31-03-2018	31-03-2017
	(Unaudited) (Refer note 4)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1 Revenue from Operations	-	-	-	-	113
2 Other Income	137	758	1050	938	1133
3 Total Income	137	758	1050	938	1246
4 Expenses					
a) Cost of materials consumed	62	40	22	143	104
b) Changes in Inventories of Finished Goods and Work-in-Progress	14	15	22	64	185
c) Employee Benefits Expense	244	70	781	447	984
d) Finance Costs	156	215	248	871	1029
e) Depreciation and Amortisation Expense	35	35	37	143	156
f) Rates & Taxes	31	355	-	436	113
g) Other Expenses	155	200	105	504	368
Total Expenses	697	930	1215	2608	2939
5 Profit/ (Loss) before Exceptional Items & Tax (3-4)	(560)	(172)	(165)	(1670)	(1693)
6 Exceptional Items (Net)		7897	-	7897	90
7 Profit/ (Loss) before Tax (5+6)	(560)	7725	(165)	6227	(1603)
8 Tax Expenses					
a) Current Tax	117	404	-	521	-
b) Tax for Earlier Year		48		48	
c) Deferred Tax	-	-	-	-	-
9 Net Profit / (Loss) after tax (7-8)	(677)	7273	(165)	5658	(1603)
10 Other Comprehensive Income/(loss)	(87)	12	(332)	(69)	(311)
i) Items that will not be reclassified to profit or loss	(114)	18	(332)	(90)	(311)
ii) Income tax relating to items that will not be reclassified to profit or loss	27	(6)	-	21	-
11 Total Comprehensive Income / (Loss)	(764)	7285	(497)	5589	(1914)
12 Paid-up Equity Share Capital* (Face value = Rs.5)	10433	10433	10433	10433	10433
13 Earnings per share (not annualised)					
a) Basic (Rs.)	-0.33	3.49	-0.18	2.71	-0.77
b) Diluted (Rs.)	-0.33	3.49	-0.18	2.71	-0.77
* Excluding amount in respect of forfeited shares					

Notes:

1) Statement of Assets and Liabilities

Particulars	Rs in Lakhs As on 31-03-2018	Rs in Lakhs As on 31-03-2017
ASSETS		
1 Non-Current Assets		
(a) Property, Plant And Equipment	2,387.32	2,501.76
(b) Intangible Assets	14.52	56.47
(c) Financial Assets		
(i) Investments	10.84	10.84
(ii) Trade Receivables	-	-
(iii) Others Financial Assets	9.26	15.15
(d) Others Non-Current Assets	75.05	378.94
Total Non-Current Assets	2,496.99	2,963.16
2 Current Assets		
(a) Inventories	127.74	326.84
(b) Financial Assets		
(i) Investments	-	0.10
(ii) Trade Receivables	5.47	102.85
(iii) Cash and Cash Equivalents	1,654.69	3.14
(iii) Bank Balances other than (iii) above	1.95	1.95
(iv) Other Financial Assets	214.27	235.75
(c) Other Current Assets	538.99	263.00
Total Current Assets	2,543.11	933.63
TOTAL ASSETS	5040.10	3896.79
EQUITY AND LIABILITIES		
1 EQUITY		
(a) Equity Share Capital	10,441.44	10,441.44
(b) Other Equity	(16,112.82)	(21,701.24)
TOTAL EQUITY	(5,671.38)	(11,259.80)
2 NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ii) Other Financial Liabilities	8.85	-
(b) Deferred Tax Liabilities - Net	-	-
(c) Provisions for Employee Benefit Obligations	293.17	480.88
(d) Other Non-Current Liabilities	2.09	-
TOTAL NON-CURRENT LIABILITIES	304.11	480.88
3 CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	-	416.15
(ii) Trade Payables	1,743.31	2,384.22
(iii) Other Financial Liabilities	3,256.96	5,519.60
(b) Other Current Liabilities	4,889.18	6,198.82
(c) Tax Liabilities (Net)	486.98	122.77
(d) Provisions for Employee Benefit Obligations	30.94	34.15
TOTAL CURRENT LIABILITIES	10,407.37	14,675.71
TOTAL EQUITY AND LIABILITIES	5040.10	3896.79

- 2) The Above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 25th May, 2018.
- 3) a) Exceptional items represents sale of the Ambassador Brand and certain related rights to Peugeot S.A. for a consideration in foreign currency equivalent to ₹8000 lacs and received ₹7897 lacs net of exchange loss of ₹103 lacs.
b) There were no extraordinary items during the respective period reported above.
- 4) The figures of last quarter are the balancing figures between the audited figures in respect of the full financial year 31st March, 2018 and the unaudited published year-to-date figures up to 31st December, 2017, which was subject to limited review.
- 5) The Company has for the first time adopted Indian Accounting Standards ("IND-AS") from 1st April 2017 with a transition date of 1st April, 2016. The financial statements for the quarter and year ended 31st March, 2018 has been prepared in accordance with Companies (Indian Accounting Standards) Rules 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules 2016, prescribed under section 133 of the Companies Act 2013. The comparative figures for the corresponding quarter and twelve months ended of the previous year have accordingly been restated.
- 6) The operating results have been adversely affected due to adverse market conditions and the accumulated losses of the Company as at 31st March, 2018 stand at ₹19623.82 lacs as against the share capital of ₹10441.44 lacs. Also current liabilities as at 31st March, 2018 exceed current assets by ₹7864.24 lacs. The Company had also declared "Suspension of work" at its Uttarpara plant w.e.f. 24th May, 2014 & layoff at its Pithampur plant w.e.f. 4th December, 2014 (refer note 7 below). These conditions indicate the existence of material uncertainty 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 further rationalizing the expenses as well as considering the measures to generate additional revenue apart from revenue generated during the year. Accordingly, the Company continues to prepare its accounts on a "Going Concern" basis. The Auditors in their audit report for the year ended 31st March, 2018 had also given Emphasis of Matter on above.
- 7) Due to low productivity, growing indiscipline, shortage of funds and lack of demand of products, the management declared "Suspension of work" at Company's Uttarpara Plant with effect from 24th May 2014. The Company also declared layoff at its Pithampur plant with effect from 4th December, 2014 due to lack of orders.
Based on legal opinion obtained, the employees and workmen, falling under the purview of "Suspension of work" at Uttarpara plant, are not entitled to any salary & wages during that period and accordingly the Company has not provided for such salary & wages.
- 8) 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" is not applicable.
- 9) During the quarter, the Company reached a compensation settlement with the permanent employee/workmen of the Company who have opted Voluntary Retirement Scheme (VRS). The compensation paid Rs. 183 lacs has been charged in quarter under review included in employee benefit expenses.
- 10) Reconciliation between financial results, as previously reported (referred to Indian GAAP) and IND AS for the quarter and year ended March 31, 2017 are presented as under:

Particulars		₹ in lakhs Quarter ended 31.03.2017	₹ in lakhs Year ended 31.03.2017
(a)	Net Profit/(Loss) as per Indian GAAP reported earlier	(497)	(1914)
	Actuarial Gain on Defined Benefit plan reclassified to other Comprehensive Income	332	311
	Net Profit / (Loss) for the period under Ind AS	(165)	(1603)
	Other Comprehensive Income	(332)	(311)
	Total Comprehensive Income under Ind AS as reported	(497)	(1914)

(b)	Equity Reconciliation	₹ in lakhs Year ended 31.03.2017	₹ in lakhs As at 01.04.2016
	Reserve as per IGAAP	(21700.70)	(19786.85)
	a)Ind AS adjustments that lead to increase in equity		
	Fair value of equity investments		
	b)Ind AS adjustments that lead to increase in equity	(0.51)	(0.49)
	Impact of fixed dividend on preference capital		
	Reserves (Other equity) as per Ind AS	(21701.21)	(19787.34)

11) Previous period figures have been re-grouped / rearranged, wherever necessary, to confirm to the current period's classification.

By Order of the Board
For Hindustan Motors Limited

A. Sankaranarayanan

A. Sankaranarayanan
Director
DIN : 00385632

Place: Kolkata
Dated: 25th May, 2018

HINDUSTAN MOTORS LIMITED

FINANCIAL STATEMENTS

FOR 2017- 2018

RAY & RAY

Chartered Accountants

Solely located at Delhi Bangalore Chennai

Webel Bhavan, Ground Floor,
Block - EP & GP, Sector V,
Salt Lake, Kolkata - 700 091
Tel. : +91-33-4064 8107 / 8108 / 8109
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INDEPENDENT AUDITOR'S REPORT

To The Members of

Hindustan Motors Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Hindustan Motors Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with



ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to the following Note to the Ind AS financial statements:

Note 52 to the Notes to the Ind AS financial statements which indicates that the net worth of, the Company is fully eroded as at 31st March, 2018, leading to a material uncertainty about the Company's ability to continue as a 'going concern'. However, the financial statements of the Company have been prepared on a 'going concern' basis for the reasons stated in the said Note.

Our opinion is not modified in respect of the matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books read with Note 54 to the Ind AS financial statements;



- (c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
- (e) The 'going concern' matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 read with Companies (Audit & Auditors) Amendment Rules 2017, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 44 to the Ind AS financial statements;
 - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) there has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company except as indicated in Note 25 to the Ind AS financial statements.

For Ray & Ray
Chartered Accountants
(FR No:301072E)

Place: Kolkata,
Date: 25th May, 2018

Asish Kumar Mukhopadhyay
(Asish Kumar Mukhopadhyay)

Partner
M. No. 056359



Annexure to the Auditor's Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of such verification in a phased manner to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the period.
- (c) The title deed of immovable properties are held in the name of the Company.
- (ii) The management has not conducted any physical verification of inventory during the year and as a result, material discrepancies, if any, were not ascertained and dealt with in the books of account.
- (iii) According to the information and explanation given to us, during the year, the company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, provisions of clauses (iii) (a), (b) and (c) of paragraph 3 of the aforesaid Order are not applicable to the Company.
- (iv) According to the information and explanation given to us, during the year the Company has not given loans, made investments, given guarantees and provided securities covered by provisions of section 185 and 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year.
- (vi) The Company is not required to maintain cost records as specified under Sub-Section (1) of Section 148 of the Companies Act, 2013.
- (vii) (a) According to the information and explanations given to us and on the basis of checking the records of the Company, we are of the opinion that the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax cess and any other statutory dues with appropriate authorities though there has been delays in respect of sales tax, value added tax and municipal tax. The extent of arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, are as mentioned below:

Nature of the Statute	Nature of dues	Amount (Rs. in lacs)	Period to which amount relates	Due Date	Date of payment
The Central Sales Tax Act, 1956	CST	42.78	April, 2013 to June, 2014	May, 2013 to July, 2014	Not paid
West Bengal Value Added Tax Act, 2003	VAT	64.06	April, 2013 to June, 2014	May, 2013 to July, 2014	Not paid
The Central Sales Tax Act, 1956	ST Deferral credit	599.55	June, 2012 to June, 2014	July, 2012 to July, 2014	Not paid
West Bengal Sales Tax Act, 1994	S T Deferral credit	1159.69	June, 2012 to March, 2014	July, 2012 to April, 2014	Not paid



West Bengal Value Added Tax Act, 2003	S T Deferral credit	32.26	April, 2014 to June, 2014	July, 2014	Not paid
The West Bengal Municipal Act, 1993	Municipal Tax under Uttarpara Kotrang Municipality	120.74	April 2012 – March, 2017	April, 2013 to April, 2017	Not paid

- (b) According to the information and explanations given to us, the following dues of sales tax, value added tax, duty of custom and duty of excise have not been deposited by the Company on account of any dispute:

Nature of the Statute	Nature of dues	Amount (Rs in lacs)	Period to which amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Dispute on Account of Classification, Cenvat Credit, Assessable Value, Differential Excise Duty, Input Service Tax Credit, Excise duty on PDI	4145.45	1984-2015	High Court, CESTAT, Commissioner (Appeals)/Commissioner/Additional Commissioner/Joint Commissioner Assistant Commissioner of Central Excise.
The Central Sales Tax Act, 1956	Stock Transfer, Non-submission of C/D Forms etc.	987.44	1995-2012	High Court/ W.B. Commercial Taxes Appellate and Revisional Board/ Additional Commissioner-Appeal/ Joint Commissioner-Appeal
Tamil Nadu Sales Tax Act, 1959	Additional Sales tax etc	2.52	1989-1996	Assistant Commissioner
West Bengal Sales Tax Act, 1994	Non Receipt of Sales tax form, Interest, Penalty, Post Return Adjustment etc.	0.37	2003-2004	WB Commercial taxes Appellate & Revision board
West Bengal Value Added Tax Act, 2003	Provisional Assessment, Enhancement of turnover with wrong calculation and taxed	6005.80	2007-2015	Taxation Tribunal of West Bengal/West Bengal Commercial tax Appellate & Revision Board/Additional Commissioner
The Customs Act, 1956	Dispute on account of Classification, Duty on inclusion of Technical Know-how fees on imported goods, import of Engines, Short Levy etc.	0.04	1990-2006	Commissioner/ Assistant Commissioner Appeals/ Tribunal



M.P. Commercial Tax Act, 1994	Exemption Notification denied by Commissioner Appeal	12.25	1997-2004	Appellate Board, Bhopal
M.P. VAT Act, 2002	Ex-party Assessment Order	26.64	2011-2012	Commercial Tax Officer
W.B. Commercial Tax Act	Entry Tax	149.09	2012-2014	High Court

- (viii) Based on our audit procedures and as per the information and explanations given to us by the management, the Company has overdrawn cash credit borrowings from Bank of Baroda during the year amounting to Rs. 1.78 lakhs and Rs.133.39 lakhs from UCO Bank with an overall delay of more than 90 days. However, there is no overdrawn balance as on the balance sheet date.
- (ix) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer including debt instruments and term loan during the year. Accordingly, clause (ix) of paragraph 3 of the aforesaid Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, no managerial remuneration is paid during the year by the Company. Accordingly, clause (xi) of paragraph 3 of the aforesaid Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the aforesaid Order is not applicable to the Company.
- (xiii) On the basis of our examination of the books of account of the Company and according to the information and explanations given to us, the transactions entered into with the related parties are in compliance with section 177 and 188 of the Act and the same has been disclosed in the Notes to the Ind AS financial statements as required by the applicable Accounting Standards (Ind AS).
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) On the basis of our examination of the records of the Company and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For RAY & RAY
Chartered Accountants
(Firm's Registration Number :301072E)

Place : Kolkata,
Date : 25th May, 2018



Asish Kumar Mukhopadhyay
Asish Kumar Mukhopadhyay
Partner
Membership No. 056359

Annexure A referred to in paragraph 3(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date:-

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Hindustan Motors Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles including the Indian Accounting Standards (Ind AS). A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide



reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Ray & Ray
Chartered Accountants
(FR No:301072E)



Asish Kumar Mukhopadhyay
(Asish Kumar Mukhopadhyay)

Partner

M. No. 056359

Place: Kolkata,
Date: 25th May, 2018

Hindustan Motors

Registered Office
Hindustan Motors Limited
Birla Building, 10th 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



25th May, 2018

- | | |
|---|---|
| 1 The Manager, Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, 5 th 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 st floor, New Trading Ring
Rotunda Building, P. J. Towers
Dalal Street, Fort
Mumbai – 400 001
(Company Code : 500500) |
|---|---|

Dear Sir(s),

Sub: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 in respect of Audit Reports with unmodified opinion for the Financial Year ended March 31, 2018

Pursuant to SEBI Circular No.CIR/CFD/CMD/56/2016 dated May 27, 2016, it is hereby declared that the Auditors of the Company, Ray & Ray, Chartered Accountants, have issued the Audit Reports for the Financial Statements (Standalone) as prepared under the Companies Act, 2013 and Financial Results as prepared under the prescribed SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended March 31, 2018 with unmodified opinion.

Thanking you,

Yours faithfully
For Hindustan Motors Limited

A. Sankaranarayanan
Director