

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



29th May, 2017

- | | |
|---|---|
| 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, 2017

Enclosed please find the Statement of Standalone Audited Results of the Company for the quarter and financial year ended 31st March, 2017 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 29th May, 2017.

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 29th May, 2017 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 continued to adopt the same accounting policies which were followed earlier.

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 30th May, 2017 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 2.00 PM and concluded at 6.30 PM.

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

Thanking you,

Yours faithfully
For Hindustan Motors Limited


Uttam Bose
Director

Encl: As above

Hindustan Motors Limited
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9/1, R.N.Mukherjee Road,
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Statement of Standalone Audited Financial Results for the Quarter and Year ended 31st March, 2017

(₹ in Lakhs)

	Quarter ended			Year ended	
	31.03.17	31.12.16	31.03.16	31.03.17	31.03.16
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Part I	(Refer note 4)				
Particulars					
1 Revenue from Operations	-	54	30	102	81
2 Other Income	33	18	22	116	157
3 Total Revenue	33	72	52	218	238
4 Expenses					
a) Cost of materials consumed	22	24	34	104	123
b) Purchase of Traded Goods	-	-	-	-	-
c) (Increase)/ Decrease in Finished Goods, Stock-in-Trade and Work-in-Progress	22	16	76	185	207
d) Employee Benefits Expense	96	49	365	278	1412
e) Finance Costs	249	258	257	1030	1036
f) Depreciation and Amortisation Expense	37	38	48	156	189
g) Other Expenses	104	158	120	469	475
Total Expenses	530	543	900	2222	3442
5 Profit /(Loss) before Exceptional items & Tax (3-4)	(497)	(471)	(848)	(2004)	(3204)
6 Exceptional items	-	90	-	90	-
7 Profit/ (Loss) before Tax (5+6)	(497)	(381)	(848)	(1914)	(3204)
8 Tax Expenses					
a) Current Tax	-	-	-	-	-
b) Deferred Tax	-	-	-	-	-
9 Net Profit / (Loss) after tax (7-8)	(497)	(381)	(848)	(1914)	(3204)
10 Paid-up Equity Share Capital* (Face value = Rs.5)	10433	10433	10433	10433	10433
11 Reserves (excl. Revaluation Reserves) as shown in the Balance Sheet of previous year				(20515)	(17311)
12 Earnings per share (not annualised)					
a) Basic (Rs.)	-0.24	-0.18	-0.41	-0.91	-1.54
b) Diluted (Rs.)	-0.24	-0.18	-0.41	-0.91	-1.54
* Excluding amount in respect of forfeited shares					

Notes:

1) Statement of Assets and Liabilities

Particulars		As at 31.03.17 (Audited)	As at 31.03.16 (Audited)
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	10441	10441	
(b) Reserves and Surplus	(21700)	(19786)	
Sub-total - Shareholders' Funds	(11259)	(9345)	
2 Non-current Liabilities			
(a) Long Term Borrowings	-	684	
(b) Deferred Tax Liabilities (Net)	-	-	
(c) Other Long-term Liabilities	144	147	
(d) Long-term Provisions	506	167	
Sub-total - Non-current Liabilities	650	998	
3 Current Liabilities			
(a) Short Term Borrowings	416	281	
(b) Trade Payables (Includes dues to micro & small enterprises ₹ 292 lakhs (₹ 292 lakhs))	2384	2527	
(c) Other Current Liabilities	11575	10552	
(d) Short-term Provisions	147	146	
Sub-total - Current Liabilities	14522	13506	
TOTAL EQUITY AND LIABILITIES	3913	5159	
B ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	2502	2618	
Intangible Assets	56	102	
(b) Non-current Investments	11	14	
(c) Long-term Loans and Advances	413	427	
(d) Other Non-current Assets	-	-	
Sub-total - Non-current Assets	2982	3161	
2 Current Assets			
(a) Inventories	327	699	
(b) Trade Receivables	103	118	
(c) Cash and Cash equivalents	5	5	
(d) Short-term Loans and Advances	263	312	
(e) Other Current Assets	233	864	
Sub-total - Current Assets	931	1998	
TOTAL ASSETS	3913	5159	

- 2) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 29th May, 2017.
- 3) a) Exceptional items represent profit on sale of non-current investments.
b) There were no extraordinary items during the respective periods 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, 2017 and the unaudited published year-to-date figures up to 31st December, 2016, which was subject to limited review.

- 5) As the accumulated losses of the Company at the end of the financial year ended 30th September, 2013 exceeded its entire net worth, the Company had made reference to the Board for Industrial and Financial Reconstruction (BIFR) under Section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 which has been repealed on and from 1st December, 2016 when the Sick Industrial Companies (Special Provisions) Repeal Act, 2003 came into effect by way of a Notification having been issued by the Central Government as published in the Official Gazette dated 28th November, 2016 and the Company has not yet made reference under the new law.
- 6) The operating results have been adversely affected due to adverse market conditions and the accumulated losses of the Company as at 31st March, 2017 stand at ₹ 25217 lacs as against the share capital of ₹ 10441 lacs. Also current liabilities as at 31st March, 2017 exceed current assets by ₹ 13591 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 rationalizing the expenses as well as considering the measures to generate revenue. 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, 2017 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) In view of loss during the year as well as accumulated loss, the Company has not created Debenture Redemption Reserve in respect of 10.25% Secured Non-convertible Debentures.
- 9) 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.
- 10) The wholly owned immaterial foreign subsidiary of the Company namely Hindustan Motors Limited, USA having no transaction during the year has been dissolved on 16th February, 2017 as per the laws applicable in USA and not in existence as on 31st March, 2017. As such the consolidated accounts have not been prepared for the year. Further, the application made by the Company to Reserve Bank of India seeking permission for writing off its entire investment in Hindustan Motors Limited, USA (Capital, Loan and other Receivables) for which necessary provision has been made in the accounts of the Company, is under consideration.
- 11) Prior period figures have been re-grouped / rearranged, wherever necessary.

Place: Kolkata
Dated: 29th May, 2017

**By Order of the Board
For Hindustan Motors Limited**



**Uttam Bose
Director
DIN: 02340000**

HINDUSTAN MOTORS LIMITED

FINANCIAL STATEMENTS

FOR 2016- 2017

Webel Bhavan, Ground Floor,
Block - EP & GP, Sector V,
Salt Lake, Kolkata - 700 091
Tel. : +91-33-4064 8107 / 8108 / 8109
E-mail : raynray@airtelmail.in

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Hindustan Motors Limited

Report on the Financial Statements

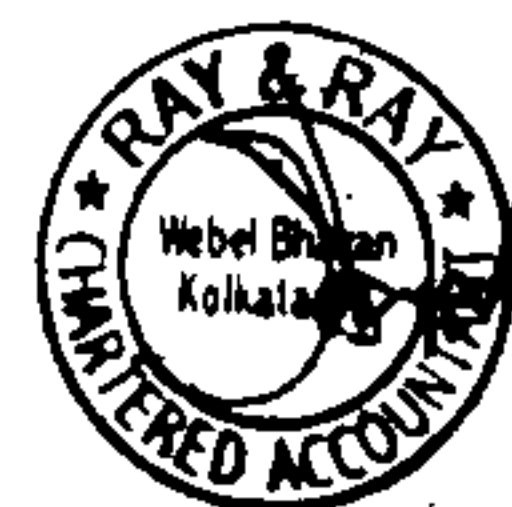
We have audited the accompanying financial statements of Hindustan Motors Limited (*"the Company"*), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 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 there under.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

Opinion

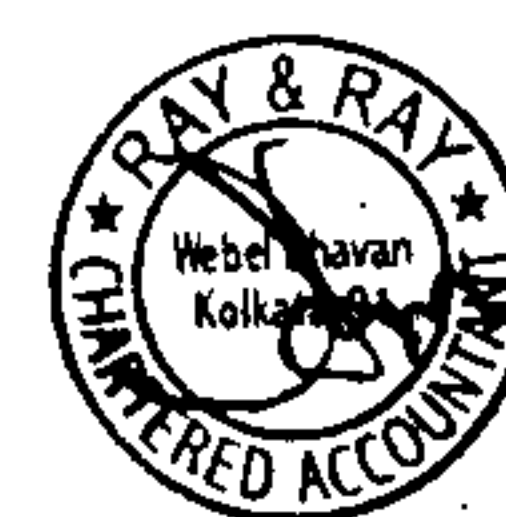
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

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

Note 40 to the Notes to the financial statements which indicates that the net worth of the Company is fully eroded as at 31st March, 2017, 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 of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said 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 42.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate Report in "Annexure A".
 - 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 financial statements – Refer Note 29 to the 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, required to be transferred to the Investor Education and Protection Fund by the Company except as indicated in Note 10 to the financial statements
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company. Refer Note 34 to the financial statements.

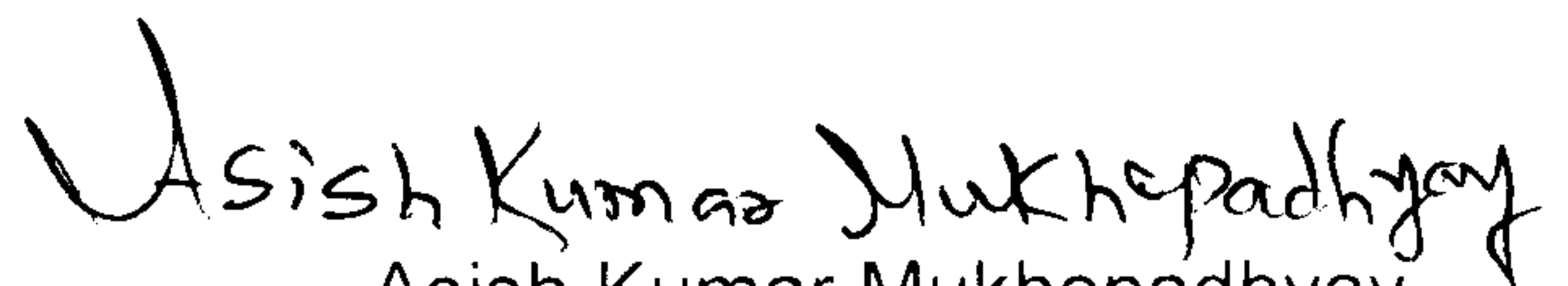
For **RAY & RAY**

Chartered Accountants

(Firm's Registration No.301072E)

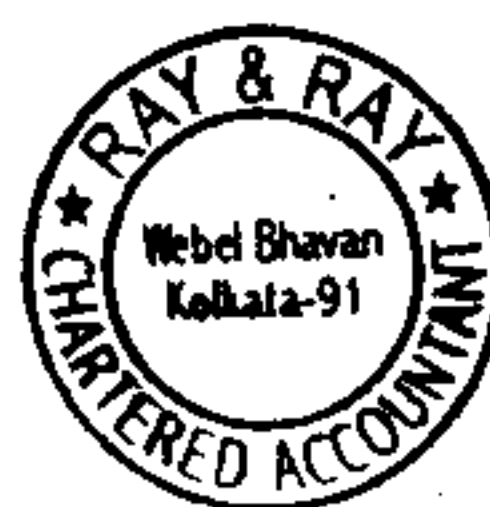
Place: Kolkata

Date: 29th May, 2017


Asish Kumar Mukhopadhyay

Partner

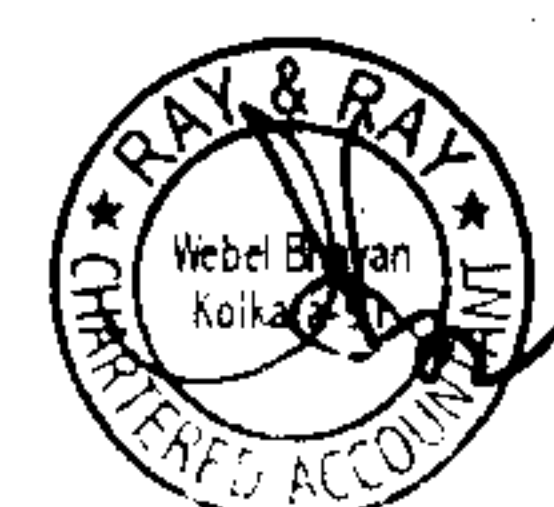
Membership No.056359



Annexure to the Auditor's Report

(Referred to in Paragraph 1 of '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. In respect of fixed assets lying with third parties, the management has a process of obtaining periodic confirmations. No material discrepancies were noticed on such verification/ confirmations 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, 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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records as specified under Sub-Section (1) of Section 148 of the Companies Act, 2013, related to the manufacture of Vehicles, Spare Parts of Vehicles, Steel Products and Components and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.



- (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	486.43	April, 2013 to June, 2014	May, 2013 to July, 2014	Not paid
West Bengal Value Added Tax Act, 2003	VAT	1201.32	April, 2013 to June, 2014	May, 2013 to July, 2014	Not paid
The Central Sales Tax Act, 1956	Sales Tax Deferral credit	1022.52	June, 2012 to June, 2014	July, 2012 to July, 2014	Not paid
West Bengal Sales Tax Act, 1994	Sales Tax Deferral credit	1959.77	June, 2012 to March, 2014	July, 2012 to April, 2014	Not paid
West Bengal Value Added Tax Act, 2003	Sales Tax Deferral credit	50.35	April, 2014 to June, 2014	July, 2014	Not paid
The West Bengal Municipal Act, 1993	Municipal Tax under Uttarpara Kotrang Municipality	96.60	April 2012 – March, 2016	April, 2013 to April, 2016	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	5,427.10	1984-2015	CESTAT, High Court/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	1995-2015	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.	49.89	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.3.12 lakhs with an overall delay of less than 90 days and Rs.133.39 lakhs from UCO Bank with an overall delay of more than 90 days. The overdrawn balance remains Rs.1.78 lakhs and 133.39 lakhs for Bank of Baroda and UCO Bank respectively as on the balance sheet date. The Company has outstanding debentures as on the Balance Sheet date. The Company has defaulted in repayment of dues to debenture holders which includes overdue principal amount of Rs. 684.33 lakhs and interest amount of Rs. 172.53 lakhs as on Balance Sheet date, due since September 29, 2016.
- (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 Financial Statements as required by the applicable Accounting Standards.
- (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)

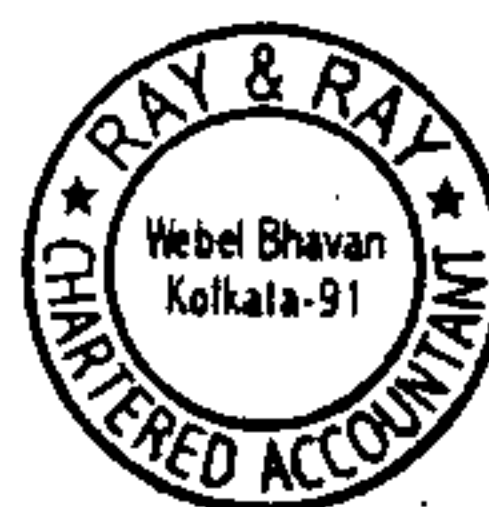
Asish Kumar Mukhopadhyay
Asish Kumar Mukhopadhyay

Partner

Membership No. 056359

Place : Kolkata

Date : 29th May, 2017



ANNEXURE A

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HINDUSTAN MOTORS LIMITED

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

Report on the Financial Statements

We have audited the internal financial controls over financial reporting of Hindustan Motors Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

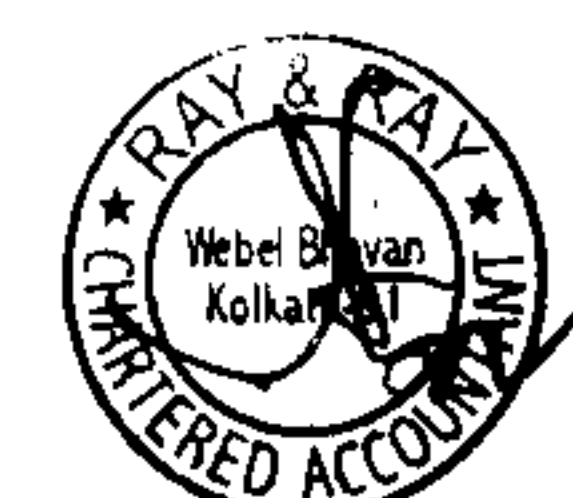
The Company's management is responsible for laying down and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 2013 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 Standards on Auditing, to the extent applicable to an audit of internal financial controls and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), both issued by the Institute of Chartered Accountants of India. 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 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 financial statements for external purposes in accordance with generally accepted accounting principles. 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 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

In view 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

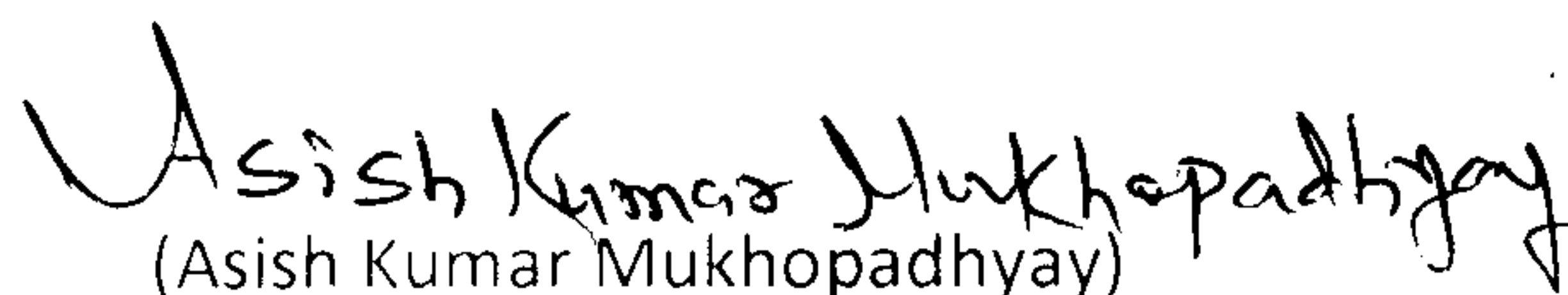
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of

RAY & RAY

Chartered Accountants

Firm Registration No. 301072E


(Asish Kumar Mukhopadhyay)

Partner

Membership No. 056359

Kolkata, The 29th May, 2017



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



29th May, 2017

- | | |
|---|---|
| 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, 2017

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, 2017 with unmodified opinion.

Thanking you,

Yours faithfully
For Hindustan Motors Limited

Uttam Bose
Director