ANNUAL REPORT

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Accounts 2016-2017

Hindustan Motors Limited

HINDUSTAN MOTORS LIMITED

ANNUAL REPORT

Year Ended March 31, 2017

Board of Directors
Shri A. Sankaranarayanan
Shri Raj Kamal Johri
Shri Uttam Bose
Smt. Mou Mukherjee

Chief Executive Officer
Shri Ajay Kumar Bansal (up to 13-5-2016)
Shri Asim Kumar Basu (w.e.f. 5-8-2016)

Chief Financial Officer
Shri Bhikam Chand Mishra (re-appointed w.e.f. 11-11-2016)

Company Secretary
Ms. Sanu Agarwal (w.e.f. 25-5-2016)

Bankers
UCO Bank
Bank of India
Bank of Baroda

Statutory Auditors
Messrs. Ray & Ray
Chartered Accountants

Share Transfer Agents
Karvy Computershare Private Limited
Plot 31-32, Karvy Selenium, Tower B
Gachibowli, Financial District
Nanakramguda
Hyderabad - 500 032
Phone : (040) 6716 1500
Fax : 040 - 2342 0814
E-mail : einward.ris@karvy.com
suresh.d@karvy.com
Kolkata Office : (033) 6628-5934 / 5901

Registered Office
'Birla Building', 10th Floor
9 / 1, Rajendra Nath Mukherjee Road
Kolkata - 700 001
Tel : +91 33 2242 0932 / 3057 3700 / 3041 0900
Fax : +91 33 2248 0055
E-mail : hmcosecy@hindmotor.com
Website : www.hindmotor.com

CIN : L34103WB1942PLC018967

CONTENTS **Page**

Notice of Annual General Meeting	**3**
Directors' Report	**8**
Annexure 1-10 to the Directors' Report	**14**
Independent Auditors' Report	**55**
Balance Sheet	**62**
Statement of Profit and Loss	**63**
Cash Flow Statement	**64**
Notes to Financial Statements	**65**

Notice to the Members

NOTICE is hereby given that the Seventy-fifth Annual General Meeting of the Members of HINDUSTAN MOTORS LIMITED will be held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020, on Friday, the 22nd September, 2017 at 2.00 PM to transact the following business:-

AS ORDINARY BUSINESS :

(1) To receive, consider and adopt the Audited Standalone Financial Statements of the Company together with the Directors' Report as also the Auditors' Report thereon for the financial year ended 31st March, 2017.

(2) To appoint a Director in place of Shri A. Sankaranarayanan (DIN-00385632) who retires by rotation and being eligible offers himself for re-appointment.

(3) To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**, relating to ratification of appointment of the Auditors of the Company :

"RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and Rules made thereunder, the appointment of Messrs. Ray & Ray, Chartered Accountants (Registration No. 301072E), as Auditors of the Company approved in the seventy-second Annual General Meeting (AGM) held on 25th September, 2014 till the conclusion of seventy-seventh AGM be and is hereby ratified to hold office from the conclusion of the seventy-fifth AGM till the conclusion of seventy-sixth AGM and that Board of Directors of the Company be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with auditors and that such remuneration may be paid on progressive billing basis to be agreed upon between the Auditors and the Board of Directors."

Registered Office :
'Birla Building' 10th Floor
9/1, Rajendra Nath Mukherjee Road
Kolkata - 700 001

By Order of the Board
For HINDUSTAN MOTORS LTD

Sanu Agarwal
Company Secretary

Dated, 5th June, 2017

NOTES :

1. **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.**

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

2. Information about the Director proposed to be reappointed as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company recommends the re-appointment of such Director.

3. Members/Proxies should bring the enclosed Attendance Slip duly filled in for attending the meeting along with a copy of the Annual Report. Corporate members intending to send their authorized representatives to attend the

meeting are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf in the meeting.

4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold the shares in physical form are requested to write their Folio Number(s) in the Attendance Slip for attending the meeting.

5. Members who have shareholdings in multiple accounts in identical names or joint accounts in the same order are requested to send all the share certificate(s) to the Registrar and Share Transfer Agents, Karvy Computershare Pvt. Limited at Plot 31-32, Karvy Selenium Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 for consolidation of all such shareholdings into one account to facilitate better service.

6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 15th September, 2017 to Friday, the 22nd September, 2017 (both days inclusive).

7. (a) Members are requested to notify change of address, if any, with PINCODE to the Company or to its Registrar and Share Transfer Agents quoting reference of their folio number and in case their Shares are held in dematerialised form, this information should be passed on to their respective Depository Participants.

   (b) In case the mailing address mentioned in this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.

8. A member desirous of getting any information on the accounts or operations of the Company or share related matter is requested to forward his/her query(ies) to the Company at least seven days prior to the meeting so that the required information can be made available at the meeting.

9. Individual members can now take the facility of making nomination of their holding. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of Shares shall vest in the event of the death of the member and the joint-holder(s), if any. A minor can be a nominee provided the name of the guardian is given in the nomination form. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu undivided family, holder of Power of Attorney cannot nominate. For further details in this regard members may contact Karvy Computershare Pvt. Limited, Hyderabad, the Registrar and Share Transfer Agents of the Company.

10. In all correspondence with the Company or with its Registrar and Share Transfer Agents, members are requested to quote their folio number and in case their Shares are held in the dematerialised form, they must quote their Client ID and their DP ID Numbers.

11. The shares of the Company are in compulsory demat segment. Those members who still continue to hold shares in physical form, are requested to get their shares dematerialised at the earliest.

12. Securities and Exchange Board of India has made it mandatory for every participant in the securities/capital market to furnish income tax Permanent Account Number (PAN). Accordingly, all the members (including joint holders) holding shares in physical form are requested to submit copy of their PAN Card duly attested by the Notary Public/ Gazetted Officer/Bank Manager under their official seal stating their full name and address, registration number to the Registrar and Share Transfer Agents, Karvy Computershare Pvt. Limited.

13. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices / documents to its members through electronic mode to the registered e-mail addresses of members. Keeping in view the underlying theme and the circular issued by MCA, the Company proposes to send all documents to members like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report etc. to the members through e-mail. Members holding shares in dematerialized form are requested to register their e-mail ID with their Depository Participants and members holding shares in physical form are requested to register their e-mail ID with Registrar and Share Transfer Agents of the Company i.e., Karvy Computershare Pvt.

Limited, Plot 31-32, Karvy Selenium Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 for sending documents through e-mail.

14. The Notice of the 75th AGM and instruction for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Annual Report 2016-2017 are being sent by permitted mode.

15. Members may also note that the Notice of the 75th AGM and the Annual report 2016-2017 will be available on the Company's website, www.hindmotor.com.

16. The Securities and Exchange Board of India (SEBI) vide its Circular dated 21st March, 2013 has provided that companies making cash payments to their investors shall use approved electronic mode of payment such as ECS, NECS, NEFT etc. To enable usage of electronic payment instruments, companies are required to maintain requisite bank details of their investors. Therefore, members of the Company who hold shares in physical form are requested to submit the following information under their signatures to Registrar and Share Transfer Agents of the Company i.e., Karvy Computershare Pvt. Limited for registering bank details if not already registered earlier:-

    a) Name of the sole/first joint-holder

    b) Folio number

    c) Name of the Bank

    d) Address of the Bank branch with Pin code

    e) Bank Account No.

    f) Type of Bank account whether saving or current

    g) MICR Code and

    h) IFSC Code

17. All relevant documents referred in the Notice and Statement will be available for inspection by the members at the Registered Office of the Company between 10 AM and 12 Noon on any working day of the Company up to the date of the meeting.

18. **Information and other instructions relating to e-voting are as under :**

    (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

    (ii) The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 75th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

    The Company has appointed Shri Anjan Kumar Roy, FCS, a Company Secretary in practice as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

    (iii) The Company has engaged the services of Karvy Computershare Pvt. Limited ("Karvy") as the Agency to provide e-voting facility.

(iv) **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 15, 2017.**

(v) **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 15, 2017 only shall be entitled to avail the facility of remote e-voting/voting at the meeting.**

(vi) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 15, 2017, may obtain the User ID and password in the manner as mentioned below:

a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL :

MYEPWD <SPACE> IN12345612345678

Example for CDSL :

MYEPWD <SPACE> 1402345612345678

Example for Physical :

MYEPWD <SPACE> XXXX1234567890

b) If e-mail address or mobile number of the member is registered against Folio No. /DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

c) Member may call Karvy's toll free number 1-800-3454-001

d) Member may send an e-mail request to evoting@karvy.com or suresh.d@karvy.com

If the member is already registered with Karvy e-voting platform, he/she can use his/her existing User ID and password for casting the vote through remote e-voting.

(vii) The remote e-voting facility will be available during the following voting period :

Commencement of remote e-voting: From 9.00 a.m. (IST) on Monday the 18th September, 2017

End of remote e-voting: Up to 5.00 p.m. (IST) on Thursday, the 21st September, 2017

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

(viii) The Scrutinizer shall unblock the data of the remote e-voting after the voting on all the resolutions at the venue of the AGM is complete. The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman of the meeting or any officer authorized by the Chairman in this regard. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.hindmotor.com and on the website of Karvy https://evoting.karvy.com. The results shall simultaneously be communicated to the Stock Exchanges.

(ix) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 22, 2017.

(x) **Instructions and other information relating to remote e-voting :**

A. **In case a member receives an e-mail from Karvy** [for members whose e-mail addresses are registered with the Company/ Depository Participant(s)] :

(a) Launch internet browser by typing the URL:https: //evoting.karvy.com

(b) Enter the login credentials (i.e. User ID and password) which will be sent separately. The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit https://evoting.karvy.com or contact toll free number 1-800-3454-001 for your existing password.

(c) After entering these details appropriately, click on "LOGIN".

(d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**

(e) You need to login again with the new credentials.

(f) On successful login, the system will prompt you to select the E-Voting Event Number for Hindustan Motors Limited.

(g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

(h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios /demat accounts.

(i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

(j) You may then cast your vote by selecting an appropriate option and click on "Submit".

(k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. **During the voting period, members can login any number of times till they have voted on the Resolution(s).**

(l) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Power of Attorney/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID : akroyco@yahoo.co.in. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

B. **In case a member receives physical copy of the Notice by Post** [for members whose e-mail addresses are not registered with the Company/Depository Participant(s)] :

(a) User ID and initial password - These will be sent separately.

(b) Please follow all steps from Sr. No. (a) to (l) as mentioned in (A) above, to cast your vote.

C. **Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.**

D. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website https: //evoting.karvy.com.

Directors' Report to the Members

Your Directors present their seventy-fifth Annual Report together with audited financial statements of the Company for the year ended March 31, 2017.

Financial Results / Performance

During the year under review, the Company's revenue was ` 1.13 Crores compared to ` 0.87 Crores in the previous financial year. The following table gives a summary of the performance.

(` in crores)

Particulars	**2016-17**	*2015-16*
Gross Revenue from Operations	1.13	*0.87*
Net Revenue from Operations	1.02	*0.81*
Profit/(Loss) before Exceptional items and Tax	(20.03)	*(32.04)*
Exceptional items (Income)	0.93	–
Profit/(Loss) before Tax	(19.14)	*(32.04)*
Tax Expenses	–	–
Profit/(Loss) For the Period	(19.14)	*(32.04)*

The revenue account shows a loss of ` 19.14 Crores after providing ` 1.56 Crores for depreciation & amortisation expense. There is a deficit of ` 252.17 Crores in the Statement of Profit and Loss as at the end of the current year as against ` 233.05 Crores in the last year.

The losses during this year includes expenses incurred for safeguarding its assets, payments to working employees, expenses towards statutory compliances for running its business and provision for diminishing in the carrying value of inventories post declaration of suspension of work at Uttarpara Plant and layoff at Pithampur Plant.

A Cash Flow Statement for the year under review is also attached to the enclosed Annual Accounts.

Consolidated accounts of the Company have not been prepared since HML, USA, the only one wholly owned subsidiary of the Company which has no business transaction during the year, has been dissolved during the year and not in existence as on 31st March, 2017.

Review of Operations

As reported earlier that due to low productivity, growing indiscipline, shortage of funds and lack of demand for products, the Company was compelled to declare "Suspension of work" at its Uttarpara Plant with effect from 24th May, 2014 and the suspension of work is continuing due to no change in the situation. The lay off in Company's Pithampur Plant with effect from 4th December, 2014 due to lack of orders is also continuing.

No material changes or commitments or any significant and material adverse orders or rulings passed by the regulators or Courts or Tribunals impacting the going concern status and Company's operations in future have occurred between end of the financial year of the company and date of this report.

There has also been no change during the period under review in the nature of business of the Company or its subsidiary. The subsidiary has been dissolved on 16th February, 2017 after complying with the laws applicable to dissolution in USA.