

Hindustan Motors

Registered Office :

Hindustan Motors Limited
Birla Building, 13th 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



30th June, 2020

- | | |
|---|---|
| <p>1 The Manager, Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, 5th floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 051
(Company Code : HINDMOTORS)</p> | <p>2 Corporate Relationship Dept.
BSE Limited
1st floor, New Trading Ring
Rotunda Building, P. J. Towers
Dalal Street, Fort
Mumbai – 400 001
(Company Code : 500500)</p> |
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Dear Sir(s),

Sub: Submission of Standalone Financial Results for the quarter and financial year ended 31st March, 2020

Enclosed please find the Statement of Standalone Financial Results of the Company for the quarter and financial year ended 31st March, 2020 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 30th June, 2020.

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 30th June, 2020 and Declaration in respect of Auditor's Report with unmodified opinion. The Board of Directors, while approving the Standalone 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.

Further, in accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated 26th March, 2020 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 granting relaxation from the compliance of Regulation 47 of the Listing Regulations, the notice and the financial results with respect to the aforesaid Board Meeting would not be published in the newspapers.

The meeting of the Board of Directors of the Company commenced at 11.00 AM and concluded at 2.00 PM.

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

Thanking you,

Yours faithfully
For Hindustan Motors Limited

Utam Bose
Director

Encl: As above

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9/1, R.N.Mukherjee Road,
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Statement of Audited Financial Results for the Quarter/Year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Quarter ended			Year ended	
	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	(Audited) (Refer Note 5)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1 Revenue from Operations	16	-	-	21	54
2 Other Income	90	27	2740	588	3552
3 Total Income	106	27	2740	609	3606
4 Expenses					
a) Cost of materials consumed	4	-	10	16	41
b) Changes in Inventories of Finished Goods and Work-in-Progress	4	3	6	12	39
c) Employee Benefits Expense	37	38	58	167	225
d) Finance Costs	1	-	87	5	165
e) Depreciation and Amortisation Expense	21	22	24	88	120
f) Rates & Taxes	9	9	26	33	48
g) Legal & Professional Fee	31	30	34	162	121
h) Court Award & Settlement	-	14	-	74	6
i) Other Expenses	52	25	50	136	181
Total Expenses	159	141	295	693	946
5 Profit/ (Loss) before Exceptional Items & Tax (3-4)	(53)	(114)	2445	(84)	2660
6 Exceptional Items	-	-	-	-	-
7 Profit/ (Loss) before Tax (5+6)	(53)	(114)	2445	(84)	2660
8 Tax Expenses					
a) Current Tax	-	-	53	-	53
b) Tax / (Refund) for Earlier Year	(14)	-	(9)	(2)	(65)
c) Deferred Tax	-	-	-	-	-
9 Net Profit / (Loss) after tax (7-8)	(39)	(114)	2401	(82)	2672
10 Other Comprehensive Income / (loss) (Net of tax)	(9)	(3)	(9)	(26)	(27)
i) Items that will not be reclassified to profit or loss	(9)	(3)	(19)	(26)	(37)
ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	10	-	10
11 Total Comprehensive Income / (Loss)	(48)	(117)	2392	(108)	2645
12 Paid-up Equity Share Capital* (Face value = Rs.5)	10433	10433	10433	10433	10433
13 Earnings per share (not annualised)					
a) Basic (Rs.)	(0.02)	(0.05)	1.15	(0.04)	1.28
b) Diluted (Rs.)	(0.02)	(0.05)	1.15	(0.04)	1.28
* Excluding amount in respect of forfeited shares					



Notes:

1) Statement of Assets and Liabilities

(₹ in Lakhs)

Particulars	As on 31-03-2020	As on 31-03-2019
ASSETS		
1 Non-Current Assets		
(a) Property, Plant And Equipment	2,048.92	2,137.60
(b) Intangible Assets	-	-
(c) Financial Assets		
(i) Investments	10.84	10.84
(ii) Others Financial Assets	1.54	9.26
(d) Others Non-Current Assets	74.15	74.83
Total Non-Current Assets	2,135.45	2,232.53
2 Current Assets		
(a) Inventories	15.04	42.69
(b) Financial Assets		
(i) Trade Receivables	6.56	5.49
(ii) Cash and Cash Equivalents	137.48	268.23
(iii) Bank Balances other than (ii) above	1.95	1.95
(iv) Other Financial Assets	191.80	191.80
(c) Current Tax Assets (Net)	7.16	-
(d) Other Current Assets	132.74	297.00
Total Current Assets	492.73	807.16
TOTAL ASSETS	2628.18	3039.69
EQUITY AND LIABILITIES		
1 EQUITY		
(a) Equity Share Capital	10,441.44	10,441.44
(b) Other Equity	(13,576.86)	(13,468.14)
TOTAL EQUITY	(3,135.42)	(3,026.70)
2 NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
Other Financial Liabilities	27.48	21.92
(b) Provisions for Employee Benefit Obligations	298.46	246.61
(c) Deferred Tax Liabilities - Net	-	-
(d) Other Non-Current Liabilities	74.32	7.30
TOTAL NON-CURRENT LIABILITIES	400.26	275.83
3 CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Trade Payables		
total outstanding dues of micro enterprises and small enterprises; and	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	1,090.30	1,472.54
(ii) Other Financial Liabilities	2,375.90	2,557.02
(b) Provisions for Employee Benefit Obligations	30.89	24.15
(c) Tax Liabilities (Net)	-	48.59
(d) Other Current Liabilities	1,866.25	1,688.26
TOTAL CURRENT LIABILITIES	5,363.34	5,790.56
TOTAL EQUITY AND LIABILITIES	2628.18	3039.69

2) Statement of Cash Flows for the year ended 31st March 2020

	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash Flow from Operating Activities		
Profit / (Loss) before Exceptional Items and Tax	(84.59)	2,660.16
Adjustments for		
Depreciation and amortisation expense	88.41	119.56
(Gain)/loss on disposal of property, plant and equipment	(13.23)	(12.33)
Unspent Liabilities and Provisions no longer required Written Back	(510.33)	(3,379.06)
Interest income classified as investing cash flows	(4.42)	(65.87)
Finance costs	5.01	164.76
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in trade receivables	(1.07)	(0.02)
(Increase)/Decrease in inventories	27.65	85.05
(Increase)/ Decrease in other financial assets	7.72	17.95
(Increase)/Decrease in other non-current assets	0.68	0.22
(Increase)/Decrease in other current assets	164.26	241.99
Increase/(Decrease) in trade payables	(382.24)	(266.00)
Increase/ (Decrease) in employee benefit obligations	32.37	(90.33)
Increase/(Decrease) in other Non-financial liabilities	334.77	2,743.88
Increase/(Decrease) in other Non-current liabilities	67.02	5.21
Increase/(Decrease) in other current liabilities	177.99	(3,205.69)
Cash Flow from Operating Activities	(90.00)	(980.52)
Income taxes paid (net of refund)	(53.66)	(416.89)
Net cash flow from Operating Activities	(143.66)	(1,397.41)
B. Cash flows from Investing Activities		
(Purchase)/Sale of Property, Plant & Equipment	-	(0.78)
Proceeds from sale of property, plant and equipment	13.50	157.79
Interest received	4.42	70.39
Net cash flow from Investing Activities	17.92	227.40
C. Cash flows from Financing Activities		
Interest paid	(5.01)	(216.45)
Net cash flow from Financing Activities	(5.01)	(216.45)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(130.75)	(1,386.46)
Cash and cash equivalents at the beginning of the year	268.23	1,654.69
Cash and cash equivalents at the end of the year	137.48	268.23



- 3) The Above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30th, June 2020. Limited Review for the Quarter and Year ended 31st March 2020 results has been carried out by statutory auditors of the Company.
- 4) Revenue from Operations includes sale of Inventories / scrap held for sale.
- 5) The figures of last quarter are the balancing figures between the audited figures in respect of the full financial year 31st March, 2020 and the unaudited published year-to-date figures up to 31st December, 2019, which was subject to limited review.
- 6) The operating results have been adversely affected due to adverse market conditions and the accumulated losses of the Company as at 31st March, 2020 stand at Rs.17087.85 Lakhs as against the share capital of Rs.10441.44 Lakhs. Also current liabilities as at 31st March, 2020 exceed current assets by Rs.4870.61 Lakhs. 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, continuously reducing its liabilities and also 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, 2020 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) The out-break of Coronavirus Disease 2019 (COVID -19) which was declared as a pandemic by World Health Organisation and subsequent lockdown imposed by the Central and State Government(s) in India, has caused temporary disturbance in economic activities and significant disruption to business across India. The Company is closely monitoring the impact and believes that there has been no significant adverse impact on its financial position for the financial year ended 31st March, 2020 as both of its manufacturing plants located at Uttarapara, West Bengal and Pithampur, Madhya Pradesh had already been under "Suspension of work" and "Lay off" respectively prior to declaration of lockdown.
- 10) Finance cost for the year ended 31st March, 2020 includes Rs. 2.94 lakhs for interest on income tax paid during the second quarter.
- 11) Previous Year / period figures have been re-grouped / rearranged, wherever necessary.

Place: Kolkata
Dated: 30th June, 2020



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


**Uttam Bose
Director
DIN : 02340000**

RAY & RAY

CHARTERED ACCOUNTANTS

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 AUDITORS' REPORT

To
The Members of
Hindustan Motors Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hindustan Motors Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

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 Companies Act, 2013 ("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 the state of affairs of the Company as at 31st March, 2020, its loss and total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules issued thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Material Uncertainty related to ‘Going Concern’

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

Note 45 to the Notes to the financial statements, which indicates that the current liabilities exceeded its current assets and it has accumulated losses which has resulted in complete erosion of the net worth of the Company as at 31st March, 2020, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have described below the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditors’ Response
1.	<p>Evaluation of disputed claims including taxes against the Company pending under appeals</p> <p>The Company has material amount of disputed claims including taxes and these are at present pending for adjudication which involves significant judgment to determine possible outcome of these disputes, as their likely outcome shall be known in future.</p> <p>Refer Note Nos. 1(o) and 40 to the financial statements.</p>	<p>Principal Audit Procedures</p> <p>Obtained detailed list of all pending claims including taxes based on tax assessments and demands upto the year ended 31st March, 2020 from Management. We have checked the relevant papers and documents and also verified Management’s underlying assumptions in estimating the tax provision and the possible outcome of the pending litigations. In course of our verification, we have also considered legal precedence and other rulings in evaluating Management’s position on these uncertain tax positions.</p>

Other Information

The Company’s Management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Corporate Governance and Shareholder’s Information but does not include the financial statements and auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. In this context attention is drawn to Note 45 to the financial statements which indicates that the current liabilities exceeded its current assets and it has accumulated losses which has resulted in complete erosion of the net worth of the Company as at 31st March, 2020, leading to a material uncertainty about the Company's ability to continue as a 'going concern' and the Company continues to prepare its accounts on a "Going Concern" basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. We conclude that a material uncertainty exists and attention is drawn to Material Uncertainty related to 'Going Concern' paragraph in our report herein above with related disclosures in the Note 45 to the financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or



regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report 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.
 - (c) The Balance Sheet, the Statement of Profit and Loss, Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - (e) The 'Going Concern' matter described under the Material Uncertainty related to 'Going Concern' paragraph herein 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, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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**".
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us, no managerial remuneration is paid to its directors during the year by the Company.



- (i) 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, 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 40 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 which were required to be transferred to the Investor Education and Protection Fund by the Company except as indicated in Note 22 to the financial statements.

For Ray & Ray
Chartered Accountants
(Firm's Registration No:301072E)

Place: Kolkata,
Date: 30th June, 2020

Asish Kumar Mukhopadhyay

(Asish Kumar Mukhopadhyay)

Partner

Membership No. 056359



(UDIN 20056359AAAAA G6060)

**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 Property, plant and equipment.
- (b) All Property, plant and equipment 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 year.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deed of immovable properties is held in the name of the Company.
- (ii) The management has not conducted 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 accordingly.
- (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 within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) The Company is not required to maintain cost records as specified under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of 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, goods and service tax, sales tax/ value added tax, service tax, duty of customs, duty of excise, 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:



Name of the Statute	Nature of dues	Amount (Rs. in lacs)	Period to which amount relates	Due Date	Date of payment
West Bengal Deferment Tax	STDC	1791.50	June, 2012 to June, 2014	July, 2012 to July, 2014	Not paid
The West Bengal Municipal Act, 1993	Municipal Tax under Uttarpara Kotrang Municipality	48.27	April 2018 to March, 2020	April, 2018 to April, 2020	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:

Name 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	3996.95	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.	518.32	1995-2014	High Court/ W.B. Commercial Taxes Appellate and Revisional Board/ Joint Commissioner-Appeal
Tamil Nadu Sales Tax Act, 1959	Additional Sales tax etc	2.52	1989-1996	Assistant Commissioner
West Bengal Value Added Tax Act, 2003	Provisional Assessment, Enhancement of turnover with wrong calculation and taxed	2422.86	2007-2015	Taxation Tribunal of West Bengal/West Bengal Commercial tax Appellate & Revisional Board

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.	49.88	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	Calcutta High Court

- (viii) The Company has no borrowings from financial institution, bank, government and the Company has no debenture holders. Accordingly, clause (viii) of paragraph 3 of the aforesaid Order is not applicable to the Company.
- (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 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.

RAY & RAY
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(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.

Place : Kolkata,
Date : 30th June, 2020



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

Asish Kumar Mukhopadhyay
(Asish Kumar Mukhopadhyay)
Partner
Membership No. 056359
(UDIN 20056359AAAAAG6060)

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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, 2020 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 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 (the "Guidance Note") 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 issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgment, 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, to the best of our information and according to the information and explanations given to us, 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, 2020, 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 issued by the ICAI.

Place: Kolkata,

Date: 30th June, 2020



For Ray & Ray
Chartered Accountants
(Firm's Registration No: 301072E)

Asish Kumar Mukhopadhyay
(Asish Kumar Mukhopadhyay)
Partner
Membership No. 056359
(UDIN 20056359AAAAAG6060)

Hindustan Motors

Registered Office :
Hindustan Motors Limited
Birla Building, 13th 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



30th June, 2020

- | | |
|---|---|
| <p>1 The Manager, Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, 5th floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 051
(Company Code : HINDMOTORS)</p> | <p>2 Corporate Relationship Dept.
BSE Limited
1st floor, New Trading Ring
Rotunda Building, P. J. Towers
Dalal Street, Fort
Mumbai – 400 001
(Company Code : 500500)</p> |
|---|---|

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, 2020

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, 2020 with unmodified opinion.

Thanking you,

Yours faithfully
For Hindustan Motors Limited


Uttam Bose
Director

RAY & RAY

CHARTERED ACCOUNTANTS

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 AUDITORS' REPORT

To
The Board of Directors
Hindustan Motors Limited,
'Birla Building',
9/1, R. N. Mukherjee Road,
Kolkata – 700001

Report on the Audit of the Financial Results

Opinion

We have audited the accompanying quarterly financial results of Hindustan Motors Limited (“the Company”), for the quarter ended 31st March 2020 and the year to date financial results for the period from 1st April, 2019 to 31st March, 2020 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).

In our opinion and to the best of our information and according to the explanations given to us, these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter ended 31st March 2020 as well as the year to date financial results for the period from 1st April, 2019 to 31st March, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (‘the Act’). Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Results* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (‘the ICAI’) together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these



requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to ‘Going Concern’

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

Note 6, which indicates that the current liabilities exceeded its current assets and it has accumulated losses which has resulted in complete erosion of the net worth of the Company as at 31st March, 2020, 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.

Board of Directors’ Responsibility for the Financial Results

The quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements. The Company’s Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34, “Interim Financial Reporting” (Ind AS 34), prescribed under section 133 of the Act, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern. In this context, attention is drawn to Note 6 to the financial results which indicates that the current liabilities exceeded its current assets and it has accumulated losses which has resulted in complete erosion of the net worth of the Company as at 31st March, 2020, leading to a material uncertainty about the Company’s ability to continue as a ‘going concern’ and the Company continues to prepare its accounts on a “Going Concern” basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company’s financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. We conclude that a material uncertainty exists and attention is drawn to Material Uncertainty related to 'Going Concern' paragraph in our report herein above with related disclosures in the Note 6 to the financial results. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



RAY & RAY
CHARTERED ACCOUNTANTS

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We report that the figures for the quarter ended 31st March 2020 represent the derived figures between the audited figures in respect of the financial year ended 31st March 2020 and the published year to date figures upto 31st December, 2019, being the date of the end of the third quarter of the current financial year which were subject to limited review by us as required under Regulation 33 of the Listing Regulations.

Place: Kolkata,
Date: 30th June, 2020

For Ray & Ray
Chartered Accountants
(Firm's Registration No:301072E)

Asish Kumar Mukhopadhyay
(Asish Kumar Mukhopadhyay)
Partner
Membership No. 056359

(UDIN 20056359AAAARG6060)

