

Annexure-2 to the Directors' Report

Report on Corporate Governance

1. Company's philosophy on Corporate Governance

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance and disclosure practices, many of which were in existence even before they were mandated by legislation. Transparency, integrity, professionalism and accountability-based values form the basis of the Company's philosophy for corporate governance. The Company strives to improve the corporate governance practices to meet stakeholders' expectations and strictly complies with regulatory guidelines on corporate governance.

2. Board of Directors

(a) Composition of Board

As on date the Board of Directors have eight members comprising of one Executive Director and seven Non-Executive Directors. The Non-Executive Directors account for about 88% of Board's strength against minimum requirement of fifty percent as per Clause 49 of the listing agreement. There are five Independent Directors. The Non-Executive Directors are eminent professionals, drawn from amongst persons with experience in business & industry, finance & law. The Company has a Non-Executive Chairman who is also Promoter of the Company. The composition of Board of Directors as on the date of the report is as follows :-

Name of Directors	Category	No. of other Directorships*	No. of other Board Committee(s) of which he is a member **	No. of other Board Committee(s) of which he is a Chairman **
Shri C. K. Birla - Chairman	Promoter - Non-Executive	7	-	-
Shri Naresh Chandra	Independent - Non-Executive	9	8	-
Shri Pradip Kumar Khaitan	Not Independent - Non-Executive	14	3	-
Dr. Anand C. Burman	Independent - Non-Executive	7	-	-
Shri Kranti Sinha	Independent - Non-Executive	3	4	3
Shri A. Sankaranarayanan	Independent - Non-Executive	3	2	1
Shri Gautam Dutta	Independent - Non-Executive - IDBI Nominee- Lender	-	-	-
Shri Uttam Bose	Managing Director	-	-	-

* only public limited companies have been considered.

** includes the membership / chairmanship only of Audit Committee(s) and Shareholders' / Investors' Grievances Committee(s).

Shri Subroto Gupta ceased to be a Nominee Director of IDBI Bank Ltd. with effect from 9th May, 2012 and Shri Gautam Dutta was appointed as a Nominee Director of IDBI Bank Ltd. with effect from 9th May, 2012. Shri Vijay Kumar Sharma ceased to be a Nominee Director of LIC with effect from 13th August, 2012. Shri Uttam Bose was appointed as Managing Director of the Company with effect from 2nd April, 2012.

None of the Non-Executive Directors of the Company has any pecuniary relationship or transaction with the Company, except Shri Pradip Kumar Khaitan, Director of the Company, who is a partner of M/s. Khaitan & Co. / M/s. Khaitan & Co. LLP, the Company's Solicitors and Advocates. There is no inter se relationship between the Directors.

(b) Board Meetings

During the eighteen month period ended 30th September, 2013, seven meetings of the Board of Directors were held on 30th April, 2012, 13th August, 2012, 1st November, 2012, 10th January, 2013, 9th February, 2013, 7th May, 2013 and 12th August, 2013. The attendance of the Directors in these meetings was as follows :

Name of the Directors	Board Meetings		Last Annual General Meeting
	Held	Attended	If Attended
Shri C. K. Birla	7	7	Yes
Shri Naresh Chandra	7	7	Yes
Shri Pradip Kumar Khaitan	7	5	No
Dr. Anand C. Burman	7	3	No
Shri Kranti Sinha	7	6	Yes
Shri A. Sankaranarayanan	7	6	No
Shri Subroto Gupta (ceased to be a Director w.e.f. 9-5-2012)	7	1	NA
Shri Vijay Kumar Sharma (ceased to be a Director w.e.f. 13-8-2012)	7	-	NA
Shri Gautam Dutta (nominated by IDBI w.e.f. 9-5-2012)	7	5	Yes
Shri Uttam Bose (appointed as Managing Director w.e.f. 2-4-2012)	7	7	Yes

(c) Shareholding of Non-Executive Directors

As on 30th September, 2013, number of shares held by Non-Executive Directors were as follows :-

Name of Non-Executive Directors	No. of Shares held on 30th September, 2013
Shri C. K. Birla	6000
Dr. Anand C. Burman	1000
Shri Kranti Sinha	500
Shri A. Sankaranarayanan	1300

3. Audit Committee

- (a) The Audit Committee of Directors was constituted on 15th May, 1987. The terms of reference of the Audit Committee were expanded by the Board of Directors of the Company at its meetings held on 25th January, 2000, 31st August, 2000, 29th January, 2005 and on 27th April, 2006 and covers the matters specified for it under Clause 49 of Listing Agreement as well as in Section 292A of the Companies Act, 1956.

(b) The composition of the Audit Committee as on the date is as follows :

Name	Nature of Directorship	Membership
Shri Naresh Chandra	Independent and Non-Executive Director	Chairman
Shri Kranti Sinha	Independent and Non-Executive Director	Member
Shri A. Sankaranarayanan	Independent and Non-Executive Director	Member
Shri Gautam Dutta	Independent and Non-Executive Director	Member

- Composition of the Committee is in conformity with clause 49(II)(A) of the Listing Agreement. One of the members is nominee of Financial Institution.
- Shri Naresh Chandra, Chairman of the Audit Committee was present at the Annual General Meeting held on 13th August, 2012 to reply to shareholders' queries.
- The Audit Committee provides an overview on the reporting process of the Company's financial and accounting mechanism and ensures that disclosures in its financial statements are correct, sufficient and credible.
- The Committee reviews the efficacy of the internal control mechanism and monitors the risk management policies adopted by the Company. The Committee also reviews the report furnished by the internal auditor, cost auditor and statutory auditors and ensures that suitable follow up actions are taken. Besides, the Committee also examines accounting, taxation and disclosure aspects of all significant transactions.
- At the invitation of the Committee, the Managing Director, the Chief Internal Auditor, the Statutory Auditor, the Cost Auditor and the Chief Financial Officer and Company Secretary who is acting as the Secretary to the Audit Committee also attended the Audit Committee Meetings to answer and clarify the queries raised at the Committee Meetings.

(c) During the eighteen month period ended 30th September, 2013 six Audit Committee Meetings were held on 30th April, 2012, 13th August, 2012, 1st November, 2012, 9th February, 2013, 7th May, 2013 and 12th August, 2013 and the attendance of the Audit Committee Members was as under :-

Audit Committee Meetings

Name of the Audit Committee Members	Held	Attended
Shri Naresh Chandra	6	6
Shri Kranti Sinha	6	5
Shri A. Sankaranarayanan	6	5
Shri Subroto Gupta (ceased to be a Member w.e.f. 9-5-2012)	6	1
Shri Vijay Kumar Sharma (ceased to be a Member w.e.f. 13-8-2012)	6	-
Shri Gautam Dutta (nominated w.e.f. 9-5-2012)	6	4

4. Remuneration Committee

The Board of Directors of the Company at its meeting held on 14th March, 2003 constituted a Remuneration Committee of Directors mainly for the purpose of recommending the Company's policy on Remuneration Package for the Managing/Executive Directors, reviewing the structure, design and implementation of remuneration policy in respect of such directors and approving, reviewing and evaluating Employees' Stock Option Plan.

The composition of the Remuneration Committee as on the date of the report is as follows :-

Name	Nature of Directorship	Membership
Shri Naresh Chandra	Independent and Non-Executive Director	Chairman
Shri Pradip Kumar Khaitan	Not Independent and Non-Executive Director	Member
Shri Kranti Sinha	Independent and Non-Executive Director	Member
Shri A. Sankaranarayanan	Independent and Non-Executive Director	Member
Shri Gautam Dutta	Independent and Non-Executive Director	Member

The Chief Financial Officer and Company Secretary acts as the Secretary of the Committee.

During the period under review, one meeting of the Remuneration Committee was held on 7th May, 2013 and the attendance of the Remuneration Committee Members was as under :-

Remuneration Committee Meetings

Name of the Remuneration Committee Members	Held	Attended
Shri Naresh Chandra	1	1
Shri Pradip Kumar Khaitan	1	1
Shri Kranti Sinha	1	1
Shri A. Sankaranarayanan	1	1
Shri Vijay Kumar Sharma (ceased to be a Member w.e.f. 13-8-2012)	1	NA
Shri Gautam Dutta (nominated w.e.f. 1-11-2012)	1	-

In so far as the Managing Director is concerned, the Company pays remuneration by way of salary, perquisites and allowances (fixed/variable components) within the range approved by the shareholders and subsequently approved by the Central Government, if required. The annual increments effective 1st April of each year as recommended by the Remuneration Committee of Directors are also paid. The ceiling on variable pay, perquisites and allowances is as fixed by the Remuneration Committee of Directors.

Remuneration paid to Directors during the eighteen month period ended 30th September, 2013

Non-Executive Directors

(Amount in ₹)

Name	Sitting fees for attending Committee and Board Meetings
Shri C. K. Birla	70,000
Shri Naresh Chandra	1,70,000
Shri Pradip Kumar Khaitan	1,30,000
Dr. Anand C. Burman	30,000
Shri Kranti Sinha	1,60,000
Shri A. Sankaranarayanan	2,00,000
Shri Subroto Gupta	30,000
Shri Gautam Dutta	1,20,000

Remuneration of Executive Director

(Amount in ₹)

	Shri Uttam Bose, Managing Director (2-4-2012 to 30-9-2013)
Salary* and allowances	2,27,25,776
Benefits	5,29,480
Bonuses	49,00,000 **
Stock Option	-
Contribution* to :	
(i) Superannuation Fund	-
(ii) Provident Fund	10,48,882
Total	2,92,04,138

* does not include Contribution to Gratuity Fund. ** includes joining Bonus of Rs. 24,00,000/-

Notes :

- a) Apart from making payment of sitting fee for attending the Board/Committee meetings and defraying expenses for attending such meetings and other travelling expenses incurred wholly and exclusively in attending to Company's work, no remuneration in any form is paid to Non-Executive Directors.
- b) M/s. Khaitan & Co. / M/s. Khaitan & Co. LLP, Solicitors and Advocates of the Company of which Shri Pradip Kumar Khaitan is a Partner renders professional services to the Company upon receipt of fee.
- c) The employment of the Managing Director is contractual in nature and is terminable by either side with a notice period of three months or Company paying three months salary (basic) in lieu of such notice.

5. Special Committee of Directors

The Board of Directors of the Company at its meeting held on 25th January, 2007 had constituted a Special Committee of Directors comprising of Shri Naresh Chandra and Shri Pradip Kumar Khaitan for the limited purpose of finalizing the development programme / sale of the Company's land at Uttarpara. The Board of Directors of the Company at its meeting held on 1st May, 2010 has expanded the ambit and scope of powers and authorities of the Committee.

The present composition of the Special Committee of Directors as on the date of the report is as follows:

Name	Nature of Directorship	Membership
Shri Naresh Chandra	Independent and Non-Executive Director	Chairman
Shri Pradip Kumar Khaitan	Not Independent and Non-Executive Director	Member
Shri A. Sankaranarayanan	Independent and Non-Executive Director	Member

During the period under review, four meetings of such Committee of Directors were held on 19th June, 2012, 24th July, 2012, 4th September, 2012 and 13th June, 2013 and the attendance of the Special Committee Members was as under :-

Special Committee Meetings

Name of the Special Committee Members	Held	Attended
Shri Naresh Chandra	4	3
Shri Pradip Kumar Khaitan	4	3
Shri A. Sankaranarayanan	4	3

6. Corporate Risk Management Committee

The Board of Directors of the Company at its meeting held on 28th July, 2006 had constituted a committee known as Corporate Risk Management Committee comprising of the Managing Director and six officers to ensure that risks as identified in the Risk assessment and minimization policy of the Company are controlled through a properly defined framework. During the period under review five meetings of such committee were held on 11th June, 2012, 18th September, 2012, 16th November, 2012, 20th March, 2013 and 29th July, 2013.

7. The Shareholders'/Investors' Grievances Committee

The present composition of the Shareholders'/Investors' Grievances Committee as on the date of the report is as follows :

Name	Nature of Directorship	Membership
Shri Pradip Kumar Khaitan	Not Independent and Non-Executive Director	Chairman
Shri Kranti Sinha	Independent and Non-Executive Director	Member
Shri A. Sankaranarayanan	Independent and Non-Executive Director	Member
Shri Gautam Dutta	Independent and Non-Executive Director	Member
Shri Uttam Bose	Executive Director	Member

Shri Yogesh Goenka, Chief Financial Officer and Company Secretary of the Company is designated as the Compliance Officer.

The Committee oversees the performance of Karvy Computershare Pvt. Limited, the Registrar and Share Transfer Agents of the Company and recommends measures to improve the level of investor related services. Though the powers to approve share transfer/share transmission are delegated to the Registrar and Share Transfer Agents, all the share transfer/transmission cases approved by the Registrar are reported to the Committee which also keeps a close watch on disposal status of all complaints/grievances of shareholders. During the period under review, 137 complaints (including 1 No. of complaint pending as on 1st April, 2012) were received by the Company/Registrar and Share Transfer Agents from shareholders and/or through regulatory bodies. All these complaints have been redressed during the eighteen month period ended 30th September, 2013. There were no share transfer applications pending for registration as on 30th September, 2013.

During the eighteen month period ended 30th September, 2013, five meetings were held on 30th April, 2012, 1st November, 2012, 9th February, 2013, 7th May, 2013 and 12th August, 2013. The attendance of the Members was as under :-

Shareholders'/Investors' Grievances Committee

Name of the Shareholders'/Investors' Grievances Committee Members	Held	Attended
Shri Pradip Kumar Khaitan - Chairman	5	4
Shri Kranti Sinha	5	4
Shri A. Sankaranarayanan	5	5
Shri Subroto Gupta (ceased to be a Member w.e.f. 9-5-2012)	5	1
Shri Gautam Dutta (nominated w.e.f. 9-5-2012)	5	3
Shri Uttam Bose (nominated w.e.f. 30-4-2012)	5	5

Complaints received during the eighteen month period ended 30th September, 2013 by the Company and the Registrar and Share Transfer Agents of the Company

Nature of Complaints	No. of complaints	
	Received	Attended to
Non-receipt of Dividend Warrants	27	27
Non-receipt of Redemption Warrant	5	5
Non-receipt of Annual Report	15	15
Non-receipt of Securities	74	74
Non-receipt of Fresh/New Securities	1	1
Non-receipt of Securities after transfer	2	2
Non-receipt of Stickers	5	5
Non-receipt of Shares after TRM/DNN	6	6
Miscellaneous	2	2
	137	137

8. General Body Meetings

Nature of the General Meetings held in the last three years	Date	Venue	If Special Resolution(s) passed
Court Convened Meeting	23rd September, 2013	Kolkata Ice Skating Rink 78, Syed Amir Ali Avenue Kolkata-700019	Requisite Majority under Section 391 of the Companies Act, 1956
Annual General Meeting	13th August, 2012	-do-	Yes
Extraordinary General Meeting	7th March, 2012	-do-	Yes
Annual General Meeting	4th August, 2011	-do-	No
Annual General Meeting	10th August, 2010	-do-	Yes

Postal Ballot

During the period, one resolution was passed by requisite majority as per clause 5.16 of Securities and Exchange Board of India (SEBI) Circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 as replaced and clarified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013, through Postal Ballot in respect of approval to Scheme of Arrangement between Hindustan Motors Limited and Hindustan Motor Finance Corporation Limited and their respective Shareholders. Shri B. P. Dhanuka, a Practising Company Secretary was appointed as the Scrutinizer for the Postal Ballot process. The results of the Postal Ballot were announced by the Managing Director of the Company at the Registered Office of the Company on 1st October, 2013 and advertised in the newspapers.

Details of the Resolution passed through Postal Ballot are as follows :

- Description
Approval to Scheme of Arrangement between Hindustan Motors Limited (HML) and Hindustan Motor Finance Corporation Limited (HMFC) and their respective Shareholders for demerger of the Chennai Car Plant of HML to HMFC.

- Voting Pattern

Voting	Number of Votes	Percentage of Total Votes
Votes in favour	16165140	99.513
Votes against	79161	0.487
Total	16244301	100.000

- As per requirement of above referred circular of SEBI, only members of the Company not forming part of Promoters and Promoter Group voted in Postal Ballot. Accordingly, the above resolution was approved by Members (other than Promoters and Promoter Group).

The procedures prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 have been followed for the Postal Ballot conducted during the period for the resolution mentioned above.

9. Disclosures

Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the period conflicting with the interest of the Company.

There were no cases of non-compliance, no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

No personnel has been denied access to the Audit Committee.

The Company complies with all the mandatory requirements and one non-mandatory requirement of Clause 49 of Listing Agreement viz. constitution of Remuneration Committee of Directors.

10. Means of Communication

Subject	Details
Quarterly results	Published in the newspapers in terms of Clause 41 of the Listing Agreement.
Newspapers wherein results normally published	The Financial Express - All India publications. Aajkal/Akdin (Bengali version) - Kolkata Edition
Any website, where displayed	www.hindmotor.com
Whether it also displays official news released and presentations made to institutional Investors/Analysts	Yes
Whether MD&A is a part of Annual Report	Yes. The same is as per Annexure 1 to the Directors' Report.

11. General Shareholder Information

Annual General Meeting	
Date & time	26th December, 2013 at 2.30 PM
Venue	Kolkata Ice Skating Rink, 78, Syed Amir Ali Avenue, Kolkata - 700 019
Financial Calendar for F.Y. 2013-14 (1st October, 2013 to 31st March, 2014)	a. 1st Quarterly Results - On or before 14th February, 2014 b. Annual Audited Results - On or before 30th May, 2014
Date of Book closure	19th December, 2013 to 26th December, 2013 (both days inclusive)
Dividend Payment	In view of the deficit in the Statement of Profit & Loss after taking into account the results for the period under review, there did not arise any occasion for the Board of Directors to consider recommending any dividend on the equity shares of the Company.
Listing on Stock Exchanges	National Stock Exchange of India Limited "Exchange Plaza", Plot No. C/1, G-Block Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Tel : 91-22-2659 8190 Fax : 91-22-2659 8191 BSE Limited Floor 25, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Tel : 91-22-2272 1233/1234 Fax : 91-22-2272 1003

	The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata - 700 001 Tel : 91-33-4025 3000 Fax : 91-33-4025 3030	
Stock code	National Stock Exchange of India Ltd. BSE Ltd. The Calcutta Stock Exchange Ltd.	HINDMOTORS 500500 1000012
ISIN Number	INE253A01025	

Market Price Data

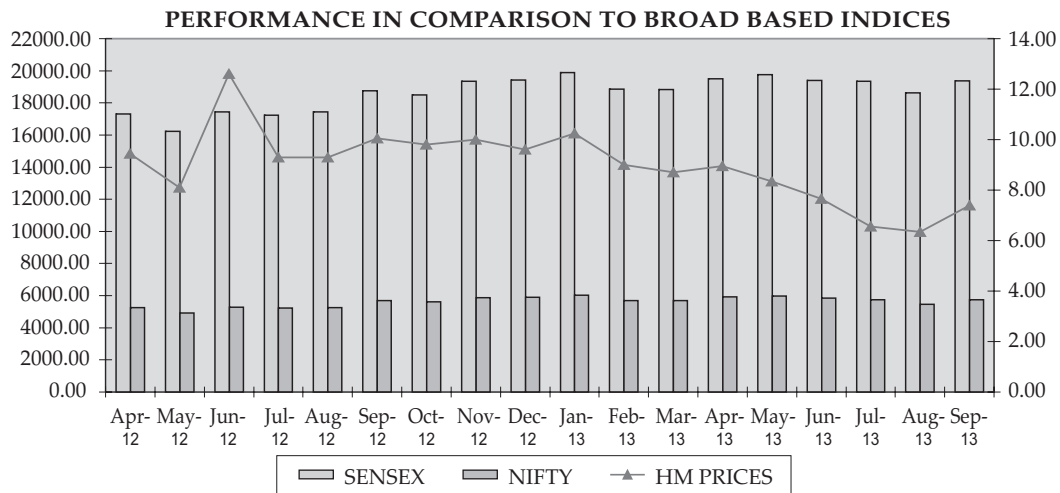
The Company's shares are listed on National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited. The monthly high and low quotations of shares traded during the eighteen month period ended 30th September, 2013 are as below :

(Amount in ₹)

Month	NSE		BSE		CSE	
	High	Low	High	Low	High	Low
April-12	10.50	9.10	10.50	9.06	NIL	NIL
May-12	10.30	8.00	10.25	8.00	NIL	NIL
June-12	14.40	7.95	14.35	7.91	NIL	NIL
July-12	13.70	9.00	13.65	9.01	NIL	NIL
August-12	10.70	8.90	10.75	8.86	NIL	NIL
September-12	10.60	9.00	10.59	9.00	NIL	NIL
October-12	12.35	9.65	12.00	9.67	NIL	NIL
November-12	10.80	9.35	10.89	9.25	NIL	NIL
December-12	11.00	9.55	11.05	9.56	NIL	NIL
January- 13	13.15	9.60	13.19	9.70	NIL	NIL
February – 13	11.20	8.40	11.90	8.76	NIL	NIL
March – 13	11.10	8.50	10.95	8.50	NIL	NIL
April-13	9.80	8.60	9.80	8.62	NIL	NIL
May-13	10.60	8.20	10.59	8.20	NIL	NIL
June-13	8.90	7.35	9.00	7.48	NIL	NIL
July-13	9.05	6.40	9.00	6.40	NIL	NIL
August-13	7.25	6.00	7.24	6.04	NIL	NIL
September-13	9.35	6.40	9.35	6.35	NIL	NIL

HM's share price movement in comparison to broad-based indices

A graphical presentation is as follows :



The Registrar and Share Transfer Agents of the Company

Karvy Computershare Pvt. Limited
 Plot nos. 17 to 24 Vittal Rao Nagar
 Madhapur , Hyderabad 500 081
 Telephone No : (040) 2342 0818
 Fax : (040) 2342 0814

E-mail : einward.ris@karvy.com / mahendra.singh@karvy.com

Kolkata Office : (033) 6619 2841, 6619 2842

Share Transfer System

Shares sent for physical transfer, if the documents are clear in all respects, are generally registered within an average time period of not more than 7 days from the date of receipt of the request. The Authorized Officers of the Registrar and Share Transfer Agents meet as often as required. During the eighteen month period ended 30th September, 2013, 36649 shares in physical form were transferred and the transfer process was completed within an average time period of not more than 7 days from the date of lodgement unless notices were required to be sent to the Registered Owners in certain identified categories of cases.

The Distribution of Shareholding as on 30th September, 2013

No. of Shares	Shareholders		Shares	
	Numbers	%	Numbers	%
1 - 500	114231	81.89%	20054377	10.86%
501 - 1000	13400	9.61%	11380940	6.16%
1001 - 2000	6109	4.38%	9559239	5.17%
2001 - 3000	1944	1.39%	5045443	2.73%
3001 - 4000	877	0.63%	3195281	1.73%
4001 - 5000	881	0.63%	4231888	2.29%
5001 - 10000	1140	0.82%	8562534	4.63%
10001 - 20000	482	0.34%	7034628	3.81%
20001 and Above	428	0.31%	115707663	62.62%
TOTAL	139492	100%	184771993	100%

Category of Shareholders as on 30th September, 2013

Sl. No.	Category	No. of holders	% of holders	No. of Shares	% of Shareholding
1.	Promoters	18	0.01	67473254	36.52
2.	Mutual Funds/UTI	16	0.01	66450	0.04
3.	Financial Institutions/ Banks/ Insurance Companies	62	0.04	9770938	5.29
4.	Foreign Institutional Investors	12	0.01	71517	0.04
5.	Private Corporate Bodies	1810	1.30	18229422	9.86
6.	Resident Individuals	135804	97.36	84146071	45.54
7.	NRIs & OCBs	1636	1.17	3491927	1.89
8.	Clearing Members	118	0.09	520524	0.28
9.	Trusts	15	0.01	27134	0.01
10.	Unclaimed Suspense Account	1	0.00	974756	0.53
TOTAL		139492	100.00	184771993	100.00

Disclosure of Unclaimed Suspense Account as required under Clause 5A of the Listing Agreement.

Sl. No.	Particulars	Number of shareholders	Number of shares
i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 1st April, 2012	5708	987923
ii)	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	54	13173
iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	53	13167
iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 30th September, 2013	5655	974756

Dematerialisation of Equity Shares and Liquidity

The Company's shares are currently traded only in dematerialised form at three stock exchanges viz. National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited. To facilitate trading in dematerialised form, the Company has tied up arrangements with both the present depositories, i.e. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL). Shareholders can open account with any of the depository-participants registered with any of these depositories. As on 30th September, 2013, about 94.20% of the Company's shares were held in dematerialised form.

As on 30th September, 2013, 2,36,00,000 Equity Shares of the Company held by Promoters/Promoter Group companies are under lock-in period.

Warrants

The Company has on 12th March, 2012 allotted 1,18,00,000 Warrants to Promoter/Promoter Group companies on preferential basis with each Warrant convertible into one Equity Share of face value of ₹ 5/- each at a premium of ₹ 7.25 per share at the option of the Warrant holder at any time within a period of 18 months from the date of

allotment of Warrants on payment of balance 75% consideration. The Company has, on 19th June, 2012, allotted 1,18,00,000 Equity Shares of ₹ 5/- each at a premium of ₹ 7.25 per share to promoter/promoter group companies who have exercised the option of conversion of 1,18,00,000 Warrants allotted to them on preferential basis. As a result of such allotment, the paid up capital of the Company increased from ₹ 86,48,59,965.00 comprising of 17,29,71,993 Equity Shares of ₹ 5/- each to ₹ 92,38,59,965.00 comprising of 18,47,71,993 Equity Shares of ₹ 5/- each.

Plant Locations (Manufacturing Units)

Address	Items produced
1. Uttarpara Division (UTP) Hindmotor - 712 233 District - Hooghly West Bengal	Ambassador, Mini Truck - Winner, Auto Components namely Forgings, Castings, Stampings, and Spare parts.
2. Chennai Car Plant (CCP) Adigathur Kadambathur - 631 023 District - Tiruvallur Tamil Nadu	Cedia, Pajero Sport, Outlander and Spare parts.
3. Pithampur Plant Pithampur Sector III Sagore - 454 774 District - Dhar Madhya Pradesh	Mini Truck - Winner and Spare parts

CEO Declaration on Code of Conduct

Reproduced is the text of the declaration made by the CEO cum Managing Director confirming compliance of Code of Business Conduct and Ethics by all Directors and Senior Management Executives:-

18th November, 2013

The Board of Directors
Hindustan Motors Limited
"Birla Building", 14th Floor
9/1 R. N. Mukherjee Road
Kolkata - 700 001

Dear Sir

I hereby confirm and declare that all the Directors of the Company and all Senior Management Executives as defined in the Code of Business Conduct and Ethics of the Company have submitted annual declarations confirming their compliance of the same.

Thanking you

Yours faithfully
For Hindustan Motors Limited

Sd/-
Uttam Bose
CEO and Managing Director

Address for Correspondence :

- For matters related to shares :
 - Karvy Computershare Pvt. Limited
 - Plot nos. 17 to 24 Vittal Rao Nagar
 - Madhapur, Hyderabad - 500 081
 - Telephone No : (040) 2342 0818
 - Fax : (040) 2342 0814
 - E-mail : einward.ris@karvy.com / mahendra.singh@karvy.com
- For queries/assistance on issues other than shares (including those related to financial statements) :
 - Shri Yogesh Goenka
 - Chief Financial Officer and Company Secretary
 - Hindustan Motors Ltd.
 - “Birla Building”, 14th Floor
 - 9/1, R. N. Mukherjee Road
 - Kolkata - 700 001
 - Telephone No : (033) 2242 0932
 - Fax No. : (033) 2248 0055
 - E-mail : hmcosecy@hindmotor.com
- For share transfer/transmission requests
 - Any of the local branches of Karvy Computershare Pvt. Ltd., a list of which can be available from Karvy's aforesaid address or from the office of the Chief Financial Officer and Company Secretary.

Details of Directors seeking reappointment at the ensuing Annual General Meeting :

Name of Director	Shri Naresh Chandra	Shri Kranti Sinha
Date of birth	01.08.1934	28.12.1942
Date of appointment	24.07.2002	15.12.2003
Qualification	M.Sc., I.A.S. (Retired)	M. A.
Nature of expertise in specific functional areas	Retired civil servant who had served in various capacities including as Cabinet Secretary, Govt. of India and the Chief Secretary, Govt. of Rajasthan and having vast experience in diversified fields like Industries and Mines, Power, Finance, Agriculture, Home Affairs, Water Resources and Defence. After retirement, served as Senior Advisor to the Prime Minister, Governor of Gujarat and Ambassador of India to the U.S.A. Chaired Committee on Corporate Governance norms and Audit practices. In January 2007 he was awarded “Padma Vibhushan”, by the Hon’ble President of India.	Retired senior executive of Public Sector undertaking and having varied experience in business.
Names of directorship in other companies (only public limited companies have been considered)	<ol style="list-style-type: none"> 1. Bajaj Auto Ltd. 2. Balrampur Chini Mills Ltd. 3. Electrosteel Castings Ltd. 4. AVTEC Ltd. 5. Cairn India Ltd. 6. Gammon Infrastructure Projects Ltd. 7. Bajaj Finserv Limited 8. Bajaj Holdings & Investment Ltd. 9. EROS International Media Limited 	<ol style="list-style-type: none"> 1. India Infoline Ltd. 2. Cinline India Ltd. 3. HM Export Ltd.

Details of Directors seeking reappointment at the ensuing Annual General Meeting : (Contd.)

Names of committees of other companies in which the director is a member	<ol style="list-style-type: none"> 1. Audit Committee of EROS International Media Ltd. 2. Audit Committee of Bajaj Finserv Ltd. 3. Audit Committee of Cairn India Ltd. 4. Audit Committee of Bajaj Auto Ltd. 5. Shareholders' / Investors' Committee of Bajaj Auto Ltd. 6. Audit Committee of Electrosteel Castings Ltd. 7. Audit Committee of Bajaj Holdings & Investment Ltd. 8. Audit Committee of Gammon Infrastructure Projects Ltd. 	<ol style="list-style-type: none"> 1. Audit Committee of India Infoline Ltd. 2. Chairman, Investors Grievance & Share Transfer Committee of India Infoline Ltd. 3. Chairman, Audit Committee of Cinline India Ltd. 4. Chairman, Investors Grievance & Share Transfer Committee of Cinline India Ltd.
No. of shares held in the Company	No	500
Relationships with other Directors	No	No

The above report was placed before and approved by the Board at its Meeting held on 18th November, 2013.

For and on behalf of the Board of Directors

New Delhi
18th November, 2013

C. K. Birla
Chairman

Auditor's Certificate

To
The Members of Hindustan Motors Limited

We have examined the compliance of conditions of corporate governance by Hindustan Motors Limited, for eighteen month period ended on September 30, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E

Per Raj Agrawal
Partner

Membership No.: 82028

Place : New Delhi
Date : November 18, 2013