

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 ten members comprising of one Executive Director and nine Non-Executive Directors. The Non-Executive Directors account for ninety percent of Board's strength against minimum requirement of fifty percent as per Clause 49 of the listing agreement. There are six 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	6	-	-
Shri Naresh Chandra	Independent - Non-Executive	11	9	-
Shri Pradip Kumar Khaitan	Not Independent - Non-Executive	12	5	-
Dr. Anand C. Burman	Independent - Non-Executive	8	1	-
Shri Kranti Sinha	Independent - Non-Executive	3	4	3
Shri Yogesh Kr. Rastogi	Independent - Non-Executive - ICICI Nominee-Lender	3	1	-
Shri A. Sankaranarayanan	Not Independent - Non-Executive	3	1	1
Shri Subroto Gupta	Independent - Non-Executive - IDBI Nominee- Lender	-	-	-
Shri Vijay Kumar Sharma	Independent - Non-Executive - LIC Nominee	5	-	-
Shri Manoj Jha	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 R. Santhanam ceased to be a Managing Director of the Company with effect from 19th May, 2010 and Shri Manoj Jha was appointed as Managing Director of the Company with effect from 19th May, 2010.

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., the Company's Solicitors and Advocates. There is no inter se relationship between the Directors.

(b) Board Meetings

During the year ended 31st March, 2011, five meetings of the Board of Directors were held on 1st May, 2010, 10th August, 2010, 8th October, 2010, 1st November, 2010 and 27th January, 2011. 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	5	5	Yes
Shri Naresh Chandra	5	5	Yes
Shri Pradip Kumar Khaitan	5	4	Yes
Dr. Anand C. Burman	5	2	No
Shri Kranti Sinha	5	4	Yes
Shri Yogesh Kr. Rastogi	5	2	Yes
Shri A. Sankaranarayanan	5	5	Yes
Shri Subroto Gupta	5	5	Yes
Shri Vijay Kumar Sharma	5	3	Yes
Shri R. Santhanam (ceased to be a Managing Director w.e.f. 19-5-2010)	5	1	N.A.
Shri Manoj Jha (appointed as Managing Director w.e.f. 19-5-2010)	5	4	Yes

(c) Shareholding of Non-Executive Directors

As on 31st March, 2011 number of shares held by Non-Executive Directors were as follows:-

Name of Non-Executive Directors	No. of Shares held on 31st March, 2011
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 Yogesh Kr. Rastogi	Independent and Non-Executive Director	Member
Shri A. Sankaranarayanan	Not Independent and Non-Executive Director	Member
Shri Subroto Gupta	Independent and Non-Executive Director	Member
Shri Vijay Kumar Sharma	Independent and Non-Executive Director	Member

- Composition of the Committee is in conformity with clause 49(II) (A) of the Listing Agreement. Three of the members are nominees of Financial Institutions.
- Shri Naresh Chandra, Chairman of the Audit Committee was present at the Annual General Meeting held on 10th August, 2010 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 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 year ended 31st March, 2011 four Audit Committee Meetings were held on 1st May, 2010, 10th August, 2010, 1st November, 2010, 27th January, 2011 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	4	4
Shri Kranti Sinha	4	4
Shri Yogesh Kr. Rastogi	4	2
Shri A. Sankaranarayanan	4	4
Shri Subroto Gupta	4	4
Shri Vijay Kumar Sharma	4	3

4. Remuneration Committee

The Board of Directors of the Company at their 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	Not Independent and Non-Executive Director	Member
Shri Vijay Kumar Sharma	Independent and Non-Executive Director	Member

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

During the year under review, one meeting of the Remuneration Committee was held on 1st May, 2010.

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. The annual increments effective 1st April of each year as recommended by the Remuneration Committee of Directors are also paid. The ceiling on perquisites and allowances is as fixed by the Remuneration Committee of Directors.

Remuneration paid to Directors during the financial year ended 31st March, 2011

Non-Executive Directors

(Amount in ₹)

Name	Sitting fees for attending Committee and Board Meetings
Shri C. K. Birla	50,000
Shri Naresh Chandra	1,20,000
Shri Pradip Kumar Khaitan	1,00,000
Dr. Anand C. Burman	20,000
Shri Kranti Sinha	1,10,000
Shri Yogesh Kr. Rastogi	40,000
Shri A. Sankaranarayanan	1,50,000
Shri Subroto Gupta	1,20,000
Shri Vijay Kumar Sharma	70,000

Remuneration of Executive Directors

(Amount in ₹)

	Shri R. Santhanam, Managing Director (1-4-2010 to 18-5-2010)	Shri Manoj Jha, Managing Director (19-5-2010 to 31-3-2011)
Salary* and allowances	8,79,367	1,19,40,323
Benefits	9,96,889 **	2,28,378
Bonuses	-	-
Stock Option	-	-
Contribution* to :		
(i) Superannuation Fund	78,242	-
(ii) Provident Fund	62,594	2,50,065
Total	20,17,092	1,24,18,766

* does not include contribution to Gratuity Fund and payment of gratuity of ₹ 11,42,308 to Shri R. Santhanam during the year.

** includes leave encashment.

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., Solicitors 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 six months or Company paying six 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	Not Independent and Non-Executive Director	Member

During the year under review only two meetings of such Committee of Directors were held on 11th June, 2010 and 24th July, 2010 in which all the three members were present.

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 year under review four meetings of such committee were held on 16th June, 2010, 14th September, 2010, 15th November, 2010 and 13th February, 2011.

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	Not Independent and Non-Executive Director	Member
Shri Subroto Gupta	Independent and Non-Executive Director	Member
Shri Manoj Jha	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 year under review, 163 complaints (including 1 No. of complaint pending as on 1-4-2010) 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 year ended 31st March, 2011. There were no share transfer applications pending for registration as on 31st March, 2011 except 3 applications for 400 shares which are under the category of Seller's Notice.

During the year ended 31st March, 2011 three meetings were held on 1st May, 2010, 8th October, 2010 and 27th January, 2011. 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	3	3
Shri Kranti Sinha	3	2
Shri A. Sankaranarayanan	3	3
Shri Subroto Gupta	3	3
Shri R. Santhanam (ceased to be a member w.e.f. 19-5-2010)	3	1
Shri Manoj Jha (nominated w.e.f. 10-8-2010)	3	2

Complaints received during the financial year ended 31st March, 2011 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	40	40
Non-receipt of Redemption Warrant	6	6
Non-receipt of Annual Report	1	1
Non-receipt of Securities	70	70
Non-receipt of Fresh/New Securities	1	1
Non-receipt of Securities after transfer	19	19
Non-receipt of Stickers	23	23
Miscellaneous	3	3
	163	163

8. General Body Meetings

Nature of the General Meetings held in the last three years	Date	Venue	If Special Resolution(s) passed
Annual General Meeting	10th August, 2010	Kolkata Ice Skating Rink 78, Syed Amir Ali Avenue Kolkata-700019	Yes
Annual General Meeting	24th July, 2009	-do-	Yes
Annual General Meeting	5th August, 2008	-do-	No
Extraordinary General Meeting	10th August, 2010	-do-	No

Postal Ballot

During the year, three Special Resolutions and one Ordinary Resolution were passed through Postal Ballot. Shri Trivikram Khaitan 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 16th November, 2010 and advertised in the newspapers.

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

Resolution No.1

- Description**

Special Resolution u/s. 78 and 100 to 103 of the Companies Act, 1956 for writing off Securities Premium Account and reduction of the paid up Equity Share Capital.

- Voting Pattern**

Voting	Number of Votes	Percentage of Total Votes
Votes in favour	52381364	99.34
Votes against	346837	0.66
Total	52728201	100.00

Resolution No.2

- Description**

Ordinary Resolution for reclassification of existing equity shares of ₹ 10/- each to ₹ 5/- each and consequent alteration in the Memorandum of Association.

Voting	Number of Votes	Percentage of Total Votes
Votes in favour	52396910	99.42
Votes against	306043	0.58
Total	52702953	100.00

Resolution No. 3

- Description**

Special Resolution for substitution of the words "Ordinary Shares" with the words "Equity Shares" in the Memorandum and Articles of Association of the Company.

Voting	Number of Votes	Percentage of Total Votes
Votes in favour	52543556	99.71
Votes against	155286	0.29
Total	52698842	100.00

Resolution No. 4

- Description**

Special Resolution u/s 372A of the Companies Act, 1956 for acquiring shares of HM Export Limited up to a limit of ₹ 160 crores.

Voting	Number of Votes	Percentage of Total Votes
Votes in favour	52397200	99.42
Votes against	303103	0.58
Total	52700303	100.00

The procedures prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 have been followed for the Postal Ballot conducted during the year for the resolutions mentioned above.

9. Disclosures

Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year 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 (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	4th August, 2011 at 2.30 PM
Venue	Kolkata Ice Skating Rink, 78, Syed Amir Ali Avenue, Kolkata - 700 019
Financial Calendar for F.Y. 2011-12	a. 1st Quarterly Results - On or before 14th August, 2011 b. 2nd Quarterly Results - On or before 14th November, 2011 c. 3rd Quarterly Results - On or before 14th February, 2012 d. Annual Audited Results - On or before 30th May, 2012
Date of Book closure	28th July, 2011 to 4th August, 2011 (both days inclusive)
Dividend Payment	In view of the cumulative debit balance in the profit & loss account after taking into account the results for the year 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", Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 Tel : 91-22-2659 8235/8236 Fax : 91-22-2659 8237/8238	
	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 Tel : 91-22-2272 1233/1234 Fax : 91-22-2272 2037/39	
	The Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata 700 001 Tel : 91-33-2210 4470-77 Fax : 91-33-2210 2223	
Stock code	National Stock Exchange of India Ltd. Bombay Stock Exchange Ltd. The Calcutta Stock Exchange Association Ltd.	HINDMOTORS 500500 1000012
ISIN Number	INE253A01025 (New ISIN No. for Shares of ₹ 5/- each)	

Market Price Data

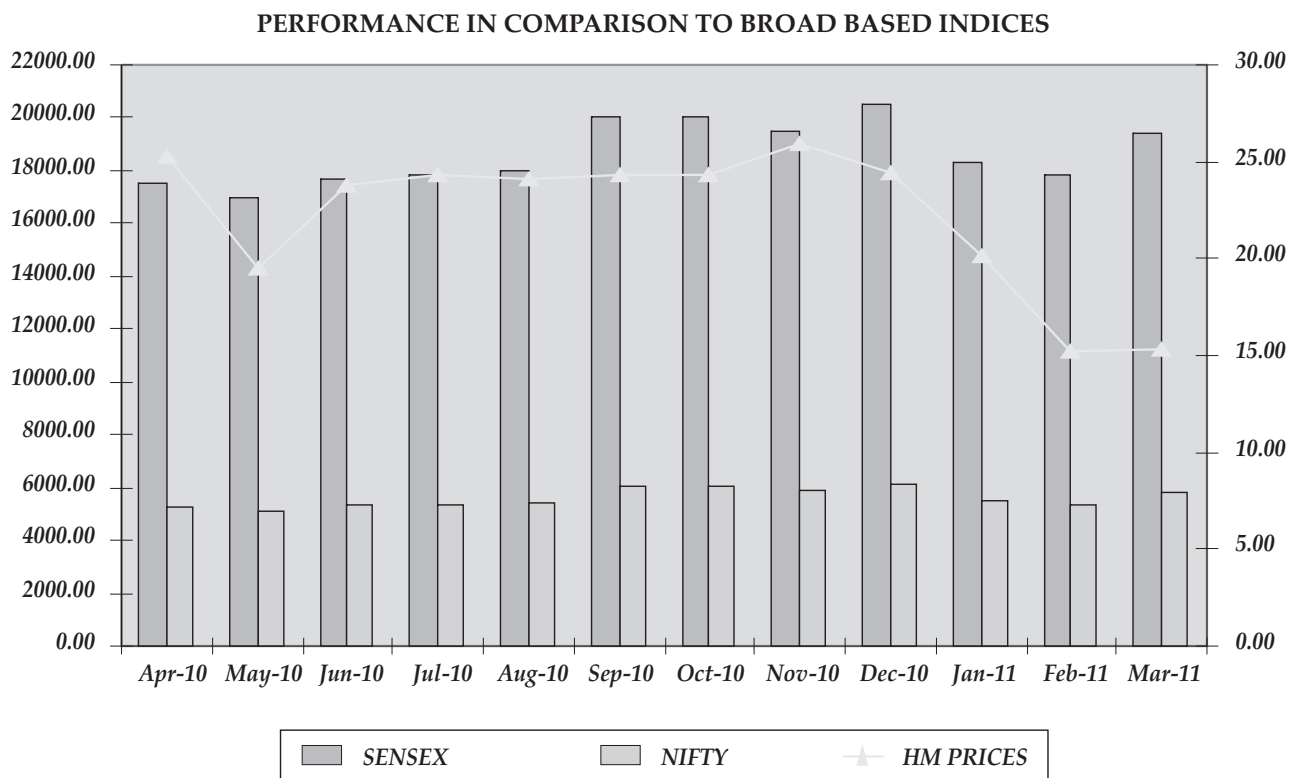
The Company's shares are listed on National Stock Exchange of India Limited, Bombay Stock Exchange Limited and The Calcutta Stock Exchange Association Limited. The monthly high and low quotations of shares traded during the year ended 31st March, 2011 are as below:

(Amount in ₹)

Month	NSE		BSE		CSE	
	High	Low	High	Low	High	Low
April-10	26.30	21.05	26.35	21.10	NIL	NIL
May-10	25.40	18.00	25.30	17.75	NIL	NIL
June-10	27.80	18.90	27.80	18.85	NIL	NIL
July-10	27.15	22.65	27.30	22.70	NIL	NIL
August-10	29.45	24.00	29.40	24.00	NIL	NIL
September-10	26.50	23.15	26.45	23.70	NIL	NIL
October-10	29.05	24.00	27.20	24.00	NIL	NIL
November-10	29.40	22.15	30.30	23.85	NIL	NIL
December-10	27.25	20.05	27.25	21.10	NIL	NIL
January- 11	25.25	19.60	25.25	19.35	NIL	NIL
February - 11	20.95	15.05	21.15	15.05	NIL	NIL
March - 11	17.75	14.60	17.80	15.00	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) 4465 5000
 Fax : (040) 2342 0814
 E-mail : einward.ris@karvy.com
 mahendra.singh@karvy.com
 Kolkata Office : (033) 2464 7231, 2464 4891

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 year ended 31st March, 2011, 52375 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 31st March, 2011

No. of Shares	Shareholders		Shares	
	Numbers	%	Numbers	%
1 - 500	127234	83.02	22505229	13.96
501 - 1000	14260	9.31	12038010	7.47
1001 - 2000	6238	4.07	9740173	6.04
2001 - 3000	1889	1.23	4903740	3.04
3001 - 4000	797	0.52	2908970	1.80
4001 - 5000	875	0.57	4204103	2.61
5001 - 10000	1062	0.69	8001034	4.97
10001 - 20000	485	0.32	7024683	4.36
20001 and Above	411	0.27	89846051	55.75
TOTAL	153251	100.00	161171993	100.00

Category of Shareholders as on 31st March, 2011

Sl. No.	Category	No. of holders	% of holders	No. of Shares	% of Shareholding
1.	Promoters	18	0.01	43873254	27.22
2.	Mutual Funds/UTI	16	0.01	66550	0.04
3.	Financial Institutions/ Banks/ Insurance Companies	63	0.04	9777035	6.07
4.	Foreign Institutional Investors	13	0.01	126517	0.08
5.	Private Corporate Bodies	2068	1.35	21343699	13.24
6.	Resident Individuals	149196	97.36	82144691	50.97
7.	NRIs & OCBs	1738	1.13	3510973	2.18
8.	Clearing Members	128	0.08	311937	0.19
9.	Trusts	11	0.01	17337	0.01
	TOTAL	153251	100.00	161171993	100.00

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, Bombay Stock Exchange Limited and The Calcutta Stock Exchange Association 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 31st March, 2011, about 92.49% of the Company's shares were held in dematerialised form.

None of the Company's shares are under lock-in period for any purpose.

Plant Locations (Manufacturing Units)

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

May 16, 2011

The Board of Directors
Hindustan Motors Limited
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/-
Manoj Jha
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) 4465 5000
 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
 9/1, R. N. Mukherjee Road
 Kolkata - 700 001
 Telephone No : (033) 2242 0932/0930
 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 C. K. Birla	Shri A. Sankaranarayanan
Date of birth	9th January, 1955	29th July, 1942
Date of appointment	13th January, 1982	8th January, 1997
Qualification	B.A.	B.E (Mech)
Nature of expertise in specific functional areas	Industrialist having rich business experience	As an Engineer of high caliber he has expertise in developing and introducing new products, updating existing product range and mix in achieving import substitutions and strengthening the In-house R&D activities.
Names of directorship in other companies (only public limited companies have been considered)	1. Orient Paper & Industries Ltd. 2. National Engineering Industries Ltd. 3. Hyderabad Industries Ltd. 4. Birlasoft Ltd. 5. The Indian Smelting & Refining Co. Ltd. 6. AVTEC Ltd.	1. Birlasoft Ltd. 2. The Indian Smelting & Refining Co. Ltd. 3. AVTEC Ltd.

HINDUSTAN MOTORS LIMITED

Names of committees of other companies in which the director is a member	NIL	Audit Committee of AVTEC Ltd.
No. of shares held in the Company	6000	1300
Relationships with other Directors	No	No

The above report was placed before and approved by the Board at its Meeting held on 16th May, 2011.

For and on behalf of the Board of Directors

New Delhi
16th May, 2011

C. K. Birla
Chairman

Auditors' Certificate

To
The Members of Hindustan Motors Limited

We have examined the compliance of conditions of corporate governance by Hindustan Motors Limited, for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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.**
Firm Regn. No.: 301003E
Chartered Accountants

Per Raj Agrawal
Partner

Place: New Delhi
Date: May 16, 2011

Membership No.: 82028