

## 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 nine members comprising of one Executive Director and eight Non-Executive Directors. The Non-Executive Directors account for about 89% 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	11	9	-
Shri Pradip Kumar Khaitan	Not Independent - Non-Executive	14	3	1
Dr. Anand C. Burman	Independent - Non-Executive	7	-	-
Shri Kranti Sinha	Independent - Non-Executive	3	4	3
Shri A. Sankaranarayanan	Not Independent - Non-Executive	3	1	1
Shri Subroto Gupta	Independent - Non-Executive - IDBI Nominee- Lender	1	-	-
Shri Vijay Kumar Sharma	Independent - Non-Executive - LIC Nominee	5	2	1
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 Manoj Jha ceased to be a Managing Director of the Company with effect from 1st February, 2012 and Shri Uttam Bose was appointed as Managing Director of the Company with effect from 2nd April, 2012. The post of Managing Director of the Company remained vacant for the period from 1st February, 2012 to 1st 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., the Company's Solicitors and Advocates. There is no inter se relationship between the Directors.

(b) **Board Meetings**

During the year ended 31st March, 2012, five meetings of the Board of Directors were held on 16th May, 2011, 4th August, 2011, 2nd November, 2011, 31st January, 2012 and 7th March, 2012. 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	2	Yes
Dr. Anand C. Burman	5	1	No
Shri Kranti Sinha	5	5	Yes
Shri Yogesh Kr. Rastogi (ceased to be a Director w.e.f. 1-3-2012)	5	1	No
Shri A. Sankaranarayanan	5	5	Yes
Shri Subroto Gupta	5	2	Yes
Shri Vijay Kumar Sharma	5	4	No
Shri Manoj Jha (ceased to be a Managing Director w.e.f. 1-2-2012)	5	3	Yes

(c) **Shareholding of Non-Executive Directors**

As on 31st March, 2012 number of shares held by Non-Executive Directors were as follows:-

Name of Non-Executive Directors	No. of Shares held on 31st March, 2012
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	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. Two 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 4th August, 2011 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 year ended 31st March, 2012 four Audit Committee Meetings were held on 16th May, 2011, 4th August, 2011, 2nd November, 2011 and 31st January, 2012 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 (ceased to be a Member w.e.f. 1-3-2012)	4	1
Shri A. Sankaranarayanan	4	4
Shri Subroto Gupta	4	2
Shri Vijay Kumar Sharma	4	3

**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	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, two meetings of the Remuneration Committee were held on 16th May, 2011 and 7th March, 2012 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	2	2
Shri Pradip Kumar Khaitan	2	1
Shri Kranti Sinha	2	2
Shri A. Sankaranarayanan	2	2
Shri Vijay Kumar Sharma	2	2

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 financial year ended 31st March, 2012

##### Non-Executive Directors

(Amount in ₹)

Name	Sitting fees for attending Committee and Board Meetings
Shri C. K. Birla	50,000
Shri Naresh Chandra	1,60,000
Shri Pradip Kumar Khaitan	70,000
Dr. Anand C. Burman	10,000
Shri Kranti Sinha	1,30,000
Shri Yogesh Kr. Rastogi	20,000
Shri A. Sankaranarayanan	1,60,000
Shri Subroto Gupta	50,000
Shri Vijay Kumar Sharma	90,000

##### Remuneration of Executive Directors

(Amount in ₹)

	Shri Manoj Jha, Managing Director (2011-12)
Salary* and allowances	1,45,17,742
Benefits	6,03,377
Bonuses	5,00,000
Stock Option	-
Contribution* to :	
(i) Superannuation Fund	-
(ii) Provident Fund	2,77,935
<b>Total</b>	<b>1,58,99,054</b>

\* does not include Contribution to Gratuity Fund

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, five meetings of such Committee of Directors were held on 3rd August, 2011, 6th December, 2011, 4th February, 2012, 27th February, 2012 and 12th March, 2012 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	5	5
Shri Pradip Kumar Khaitan	5	4
Shri A. Sankaranarayanan	5	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 year under review four meetings of such committee were held on 15th June, 2011, 19th August, 2011, 16th November, 2011 and 17th January, 2012.

#### 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 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 year under review, 397 complaints were received by the Company/Registrar and Share Transfer Agents from shareholders and/or through regulatory bodies. All these complaints except one have been redressed during the year ended 31st March, 2012. The pending one was subsequently redressed. There were no share transfer applications pending for registration as on 31st March, 2012 except 24 applications for 8015 shares which were under the category of Seller's Notice.

During the year ended 31st March, 2012 two meetings were held on 4th August, 2011 and 2nd November, 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	2	-
Shri Kranti Sinha	2	2
Shri A. Sankaranarayanan	2	2
Shri Subroto Gupta	2	1
Shri Manoj Jha (ceased w.e.f. 1-2-2012)	2	2
Shri Uttam Bose (nominated w.e.f. 30-4-2012)	NA	NA

#### Complaints received during the financial year ended 31st March, 2012 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	10	10
Non-receipt of Securities	304	303
Non-receipt of Fresh/New Securities	1	1
Non-receipt of Securities after transfer	11	11
Non-receipt of Stickers	25	25
Non-receipt of Shares after TRM/DNN	2	2
Non-receipt of Power of Attorney Registration No.	1	1
Miscellaneous	11	11
	<b>397</b>	<b>396</b>

**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	4th August, 2011	Kolkata Ice Skating Rink 78, Syed Amir Ali Avenue Kolkata-700019	No
Annual General Meeting	10th August, 2010	-do-	Yes
Annual General Meeting	24th July, 2009	-do-	Yes
Extraordinary General Meeting	7th March, 2012	-do-	Yes

During the year, no resolution was passed through postal ballot in connection with Section 192A of the Companies Act, 1956.

**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 the 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	13th August, 2012 at 2.30 PM
Venue	Kolkata Ice Skating Rink, 78, Syed Amir Ali Avenue, Kolkata - 700 019

Financial Calendar for F.Y. 2012-13	a. 1st Quarterly Results - On or before 14th August, 2012
	b. 2nd Quarterly Results - On or before 14th November, 2012
	c. 3rd Quarterly Results - On or before 14th February, 2013
	d. Annual Audited Results - On or before 30th May, 2013
Date of Book closure	6th August, 2012 to 13th August, 2012 (both days inclusive)
Dividend Payment	In view of the deficit in the Statement of Profit & Loss 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	<p>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</p> <p>BSE Limited  Phiroze Jeejeebhoy Towers  Dalal Street  Mumbai - 400 001  Tel : 91-22-2272 1233/1234  Fax : 91-22-2272 2037/39</p> <p>The Calcutta Stock Exchange Limited  7, Lyons Range, Kolkata - 700 001  Tel : 91-33-2210 4470-77  Fax : 91-33-2210 2223</p>
Stock code	National Stock Exchange of India Limited      HINDMOTORS BSE Limited      500500 The Calcutta Stock Exchange Limited      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 year ended 31st March, 2012 are as below :

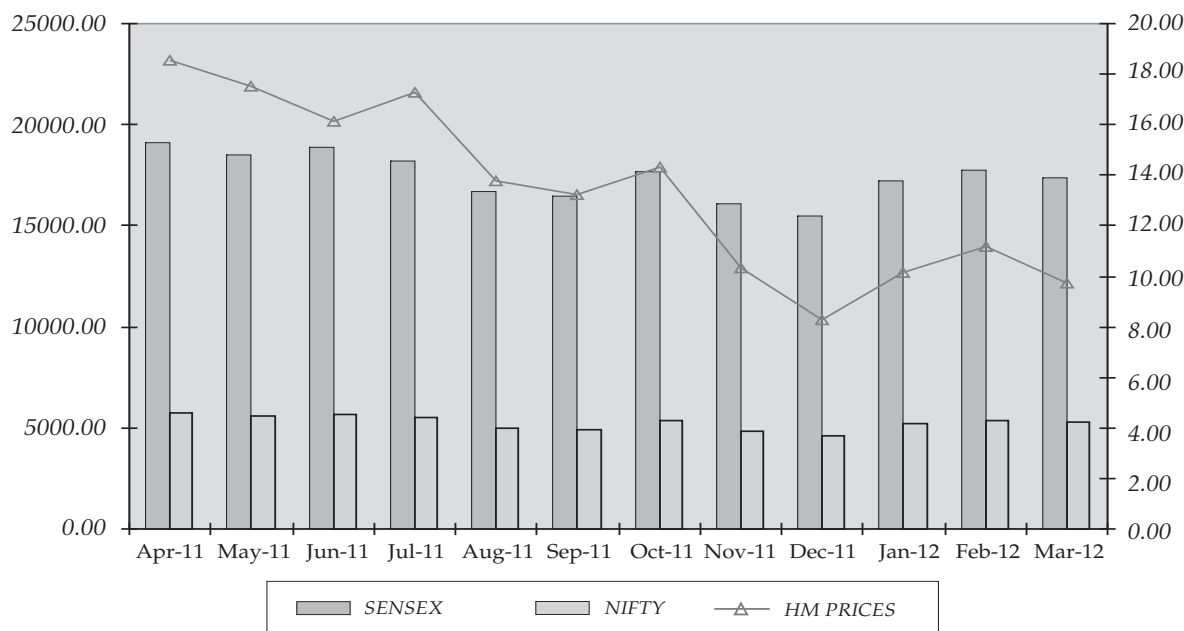
(Amount in ₹)

Month	NSE		BSE		CSE	
	High	Low	High	Low	High	Low
April-11	23.35	15.05	23.35	15.30	NIL	NIL
May-11	19.05	16.35	19.70	16.35	NIL	NIL
June-11	18.80	15.10	18.90	15.05	NIL	NIL
July-11	19.30	16.15	19.25	16.00	NIL	NIL
August-11	18.60	12.90	18.55	12.85	NIL	NIL
September-11	15.30	12.90	15.20	13.00	NIL	NIL
October-11	14.75	12.60	14.69	12.60	NIL	NIL
November-11	15.20	10.05	15.25	10.01	NIL	NIL
December-11	10.85	7.55	11.25	7.58	NIL	NIL
January-12	11.90	8.05	11.40	8.10	NIL	NIL
February-12	11.20	9.75	11.25	9.66	NIL	NIL
March-12	11.90	8.90	11.90	8.94	NIL	NIL

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

A graphical presentation is as follows :

**PERFORMANCE IN COMPARISON TO BROAD BASED INDICES**



**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, 2012, 49653 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, 2012**

No. of Shares	Shareholders		Shares	
	Numbers	%	Numbers	%
1 - 500	121056	82.50	21334539	12.33
501 - 1000	13846	9.44	11725080	6.78
1001 - 2000	6173	4.21	9682116	5.60
2001 - 3000	1943	1.32	5032761	2.91
3001 - 4000	844	0.57	3076008	1.78
4001 - 5000	877	0.60	4201626	2.43
5001 - 10000	1111	0.76	8332731	4.82
10001 - 20000	454	0.31	6605856	3.82
20001 and Above	431	0.29	102981276	59.53
<b>TOTAL</b>	<b>146735</b>	<b>100.00</b>	<b>172971993</b>	<b>100.00</b>

**Category of Shareholders as on 31st March, 2012**

Sl. No.	Category	No. of holders	% of holders	No. of Shares	% of Shareholding
1.	Promoters	18	0.01	55673254	32.19
2.	Mutual Funds/UTI	16	0.01	66550	0.04
3.	Financial Institutions/ Banks/ Insurance Companies	62	0.04	9775878	5.65
4.	Foreign Institutional Investors	12	0.01	71517	0.04
5.	Private Corporate Bodies	1925	1.31	20214291	11.68
6.	Resident Individuals	142916	97.40	82317903	47.59
7.	NRIs & OCBs	1690	1.15	3700148	2.14
8.	Clearing Members	84	0.06	147192	0.09
9.	Trusts	11	0.01	17337	0.01
10.	Unclaimed Suspense Account	1	0.00	987923	0.57
	<b>TOTAL</b>	<b>146735</b>	<b>100.00</b>	<b>172971993</b>	<b>100.00</b>

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

i) Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 1st April, 2011	NIL
ii) Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	NIL
iii) Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	NIL
iv) Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31st March, 2012	Number of shareholders : 5708 Number of Shares : 987923

**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 Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open account with any of the depository-participants registered with any of these depositories. As on 31st March, 2012, about 93.66% of the Company's shares were held in dematerialised form.

As on 31st March, 2012, 2,38,30,106 Equity Shares of the Company held by Promoters/Promoter Group companies are under lock-in period.

**Warrants**

On 12th March, 2012 the Company has 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. After conversion, the paid up capital of Company will be increased from ₹ 864859965.00 comprising of 172971993 Equity Shares of ₹ 5/- each to ₹ 923859965.00 comprising of 184771993 Equity Shares of ₹ 5/- each.

**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. 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 :-

April 30, 2012

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) 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.  
"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 Pradip Kumar Khaitan	Dr. Anand C. Burman	Shri Vijay Kumar Sharma
Date of birth	25th March, 1941	5th May, 1952	19th December, 1958
Date of appointment	21st December, 1989	26th November, 1997	26th October, 2009
Qualification	B.Com., LLB	M.Sc.	M.Sc.
Nature of expertise in specific functional areas	An eminent lawyer having expertise in Commercial and Corporate Laws, Arbitration, Intellectual Property, Foreign Collaborations, Mergers and Acquisitions, Restructuring and Demergers	As eminent Industrialist having expertise in Oncology, Active Pharmaceutical ingredients and formulations, a leading figure specializing in the area of research and development.	Director and Chief executive of LIC Housing Finance Ltd, having varied experience in business.
Names of directorship in other companies (only public limited companies have been considered)	<ol style="list-style-type: none"> <li>1 CESC Ltd.</li> <li>2 Dalmia Bharat Enterprises Ltd.</li> <li>3 India Glycols Ltd.</li> <li>4 Electrosteel Castings Ltd.</li> <li>5 OCL India Ltd.</li> <li>6 Pilani Investment &amp; Industries Corporation Ltd.</li> <li>7 Graphite India Ltd.</li> <li>8 Woodlands Multispeciality Hospital Ltd.</li> <li>9 Visa Steel Ltd.</li> <li>10 Gillanders Arbuthnot &amp; Co. Ltd.</li> <li>11 TCPL Packaging Ltd.</li> <li>12 Dhunseri Petrochem &amp; Tea Ltd.</li> <li>13 Saregama India Ltd.</li> <li>14 Warren Tea Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1 Dabur Pharmaceuticals Ltd.</li> <li>2 Dabur India Ltd.</li> <li>3 H &amp; B Stores Limited</li> <li>4 Aviva Life Insurance Company India Ltd.</li> <li>5 Hero Motocorp Limited</li> <li>6 Althea Lifesciences Ltd.</li> <li>7 Ester Industries Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1 LIC Housing Finance Ltd.</li> <li>2 LICHFL Care Homes Ltd.</li> <li>3 LIC Nomura Mutual Fund Asset Mgt. Co. Ltd.</li> <li>4 LICHFL Financial Services Ltd.</li> <li>5 LICHFL Asset Mgt. Co. Ltd.</li> </ol>
Names of committees of other companies in which the director is a member	<ol style="list-style-type: none"> <li>1 Shareholders' and Investors' Grievance Committee of Gillanders Arbuthnot &amp; Co. Ltd.</li> <li>2 Audit Committee of Pilani Investment &amp; Industries Corporation Ltd.</li> <li>3 Share Allotment Committee of Woodlands Multispeciality Hospital Ltd.</li> </ol>	NIL	<ol style="list-style-type: none"> <li>1 Investors' Grievance Committee of LIC Housing Finance Ltd.</li> <li>2 Audit Committee of LICHFL Care Homes Ltd.</li> </ol>
No. of shares held in the Company		1000	
Relationships with other Directors	No	No	No

The above report was placed before and approved by the Board at its Meeting held on 30th April, 2012.

For and on behalf of the Board of Directors

New Delhi  
30th April, 2012

**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, 2012, 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.

Place : New Delhi  
Date : April 30, 2012

For **S.R. BATLIBOI & CO.**  
Firm Registration Number: 301003E  
*Chartered Accountants*  
**Per Raj Agrawal**  
*Partner*  
Membership No.: 82028