

To the Members of Hindustan Motors Limited, USA,

Report on the Financial Statements

We have audited the accompanying financial statements of **HINDUSTAN MOTORS LIMITED, USA, (The Company)** which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 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'2015, and its cash flows for the year ended on that date. The Company did not transact any business during the year and there was no revenue income and revenue expense.

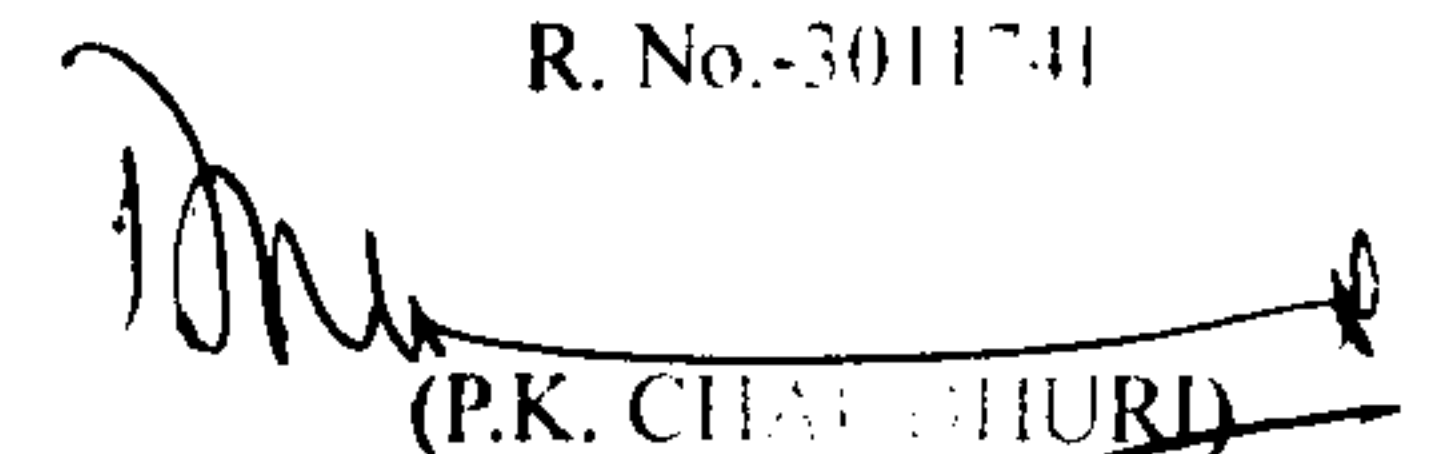


Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, 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 purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. In the absence of any directors this clause is not applicable.
 - f. In our opinion, the Company has reasonably adequate internal financial control system in place providing operating effectiveness of such controls.
 - g. 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 our information and according to the explanations given to us:
 - I. There is no pending litigation on its financial position which will have impact in its financial statements.
 - II. The Company did not have any long-term contract including derivative contract which may lead to any foreseeable loss.
 - III. There was no such dues which are, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Kolkata
Dated: 20.05.2015

For G. BASU & CO.
Chartered Accountants
R. No.-3011741


(P.K. CHAKRABARTI)
Partner
(M. No. 003814)

ANNEXURE


RE: **Hindustan Motors Limited, USA,**

THIS IS REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

1. The body corporate has no fixed assets during the year.
2. The company has no Inventory.
3. No loans secured or unsecured have been granted by the company, to companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- 4a. In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. However, during the year under audit there were no purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit there is no continuing failure to correct major weaknesses has been noticed in the internal control systems.
- 4b. Internal audit system is yet to be introduced in the body corporate.
5. In our opinion and according the information and explanations given to us the company has not accepted any deposit from the public.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the year under review.
- 7a. According to the books and records of the company, the company has no undisputed statutory dues at the end of the year.
- 7b. According to the information and explanations given to us, no undisputed amounts payable in case of dues of income tax or sales tax or wealth tax or service tax or custom duty or excise duty or cess were outstanding as at 31st March, 2015.
- 7c. There is no amount which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
8. Accumulated loss of the body corporate is more than the net worth of the Company. Company has incurred cash loss during the financial year covered by our audit but sustained cash loss in the immediately preceding financial year.
9. Based on our audit procedures and on the basis of information and explanations given by the management, we have to state that the company has not taken any loan from financial institutions, banks or debenture holders.
10. The company has not given any guarantee for loans taken by others form banks or financial institutions.
11. On the basis of our examination of books and records and the information and explanations given by the management, we state that the company has not obtained any term loan.
12. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Kolkata
Date: 20.05.2015

For G. BASU & CO.
Chartered Accountants
R. No.-301174E


(P.K. CHAUDHURI)
Partner
(M. No. 003814)

HINDUSTAN MOTORS LIMITED, USA

Balance Sheet as at 31st March, 2015

		₹ in lacs	
	Notes	31-Mar-15 INR	31-Mar-14 INR
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	2	158.64	158.64
Reserves and Surplus	3	(326.05)	(319.19)
CURRENT LIABILITIES			
Short Term Borrowings	4	133.06	127.60
Trade Payables	5	43.08	41.32
		<u>176.14</u>	<u>168.92</u>
TOTAL		<u>8.73</u>	<u>8.37</u>
ASSETS			
CURRENT ASSETS			
Trade Receivables	6	8.73	8.37
		<u>8.73</u>	<u>8.37</u>

Accounting Policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For G. BASU & CO.
Chartered Accountants
R. No.-301174E


(P.K. CHAUDHURI)
Partner
(M. No. 003814)

PLACE KOLKATA

20 MAY 2015

HINDUSTAN MOTORS LIMITED, USA

Statement of Profit & Loss for the year ended March 31, 2015

		₹ in lacs	
	Notes	2014-2015	2013-2014
Income			
Other Income		-	-
		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
Expenditure			
Other Expenses		-	-
		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
Profit for the period		<u><u>-</u></u>	<u><u>-</u></u>

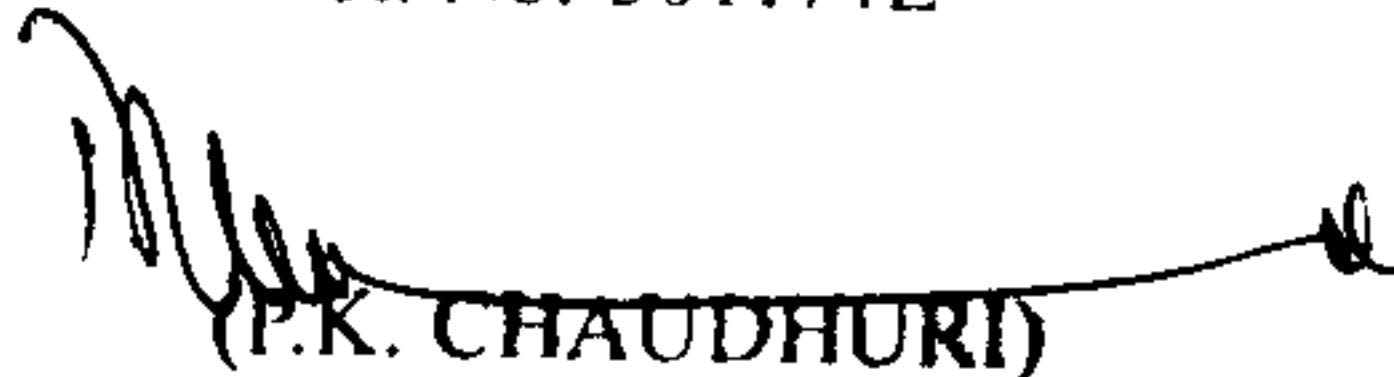
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For G. BASU & CO.
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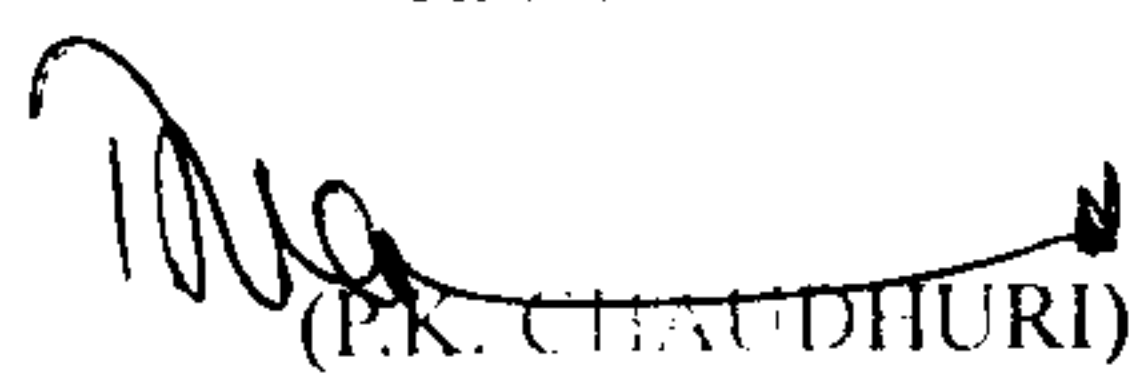
20 MAY 2015

HINDUSTAN MOTORS LIMITED, USA**Cash Flow Statement for the year ended March 31, 2015
(Indirect Method)**

	₹ in lacs	
	<u>2014-2015</u>	<u>2013-2014</u>
A. <u>Cash Flow from operating activities:</u>		
Profit / (Loss)	-	-
Unrealised Exchange Loss	(6.86)	(15.07)
Operating Profit / (Loss) before working capital change	<u>(6.86)</u>	<u>(15.07)</u>
Working capital changes		
(-)Increase/(+)Decrease in Trade Receivable	(0.36)	(0.79)
(+)Increase/(-)Decrease in Trade Payable	1.76	3.88
	<u>1.40</u>	<u>3.09</u>
Cash used in operating activities	<u>(5.46)</u>	<u>(11.98)</u>
B. <u>Cash Flow from financing activities:</u>		
(+)Increase/(-)decrease in Short Term Borrowings	5.46	11.98
Cash generated in financial activities	<u>5.46</u>	<u>11.98</u>
Net increase/decrease in cash & cash equivalent	-	-
Opening Cash and cash equivalent	-	-
Closing cash and cash equivalent	-	-

As per our report of even date

For G. BASU & CO.
Chartered Accountants
R. No.-301174E


(P.K. CHAUDHURI)
Partner
(M. No. 003814)

CHARTERED ACCOUNTANTS

20 MAY 2015

Hindustan Motors Limited, USA
Notes to financial statements for the year ended March 31, 2015

1. Significant Accounting Policies:

i) Basis of preparation of the financial statements :

The company prepares its accounts on accrual basis in accordance with the normally accepted accounting principles in India, mandatory accounting standards and the relevant provisions of Companies Act, 2013.

ii) Trade Receivables :

Receivables are stated at cost less allowance for doubtful debts. Known bad debts are written off and specific allowance is made for any debts considered to be doubtful of collection.

iii) Trade Payables :

Payables are stated at cost.

iv) Revenue recognition

Revenue is recognized when services are performed.

v) Foreign Currency Transactions

The accounts are translated in Indian Rupees as follows :

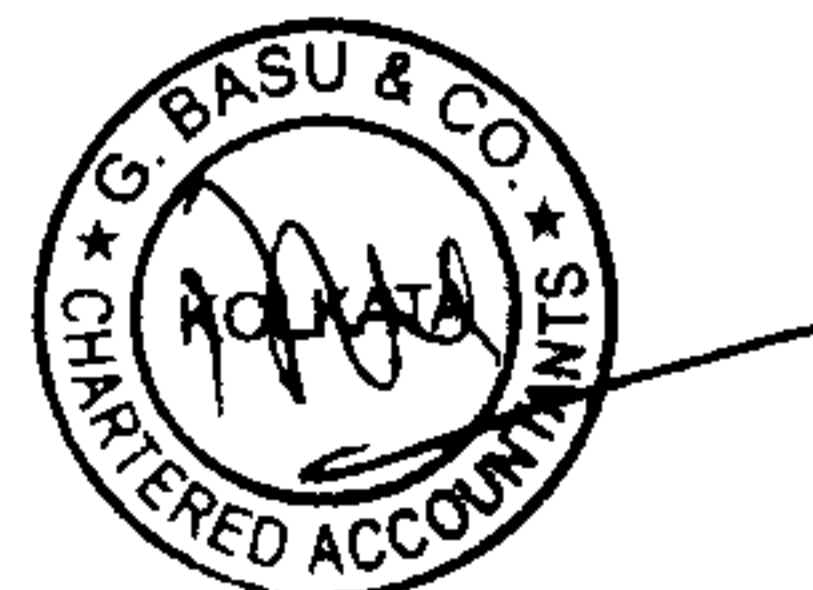
- Revenue transactions are translated at the average rate of month end of opening month and month end of closing month.
- Share capital is retained at the initial value, to the extent of initial contribution amount.
- Current assets and current liabilities are translated at rates prevailing on the date of Balance Sheet.
- The resultant differences are accounted as Foreign Currency Translation Reserve in Balance Sheet.



HINDUSTAN MOTORS LIMITED, USA

Notes to financial statements for the year ended March 31, 2015

	<u>31-Mar-15</u>	<u>₹ in lacs</u> <u>31-Mar-14</u>
NOTE 2 : SHARE CAPITAL		
100000(100000) shares of USD four each	158.64	158.64
The entire shares are held by Holding Company		
NOTE 3 : RESERVES AND SURPLUS		
Deficit in the statement of Profit & Loss		
As per last account	(295.07)	(295.07)
Add: Loss for the period	-	-
	<u>(295.07)</u>	<u>(295.07)</u>
Translation Reserve		
As per last account	(24.12)	(9.05)
Add :- For the period	(6.86)	(15.07)
	<u>(30.98)</u>	<u>(24.12)</u>
	<u>(326.05)</u>	<u>(319.19)</u>
NOTE 4 : SHORT TERM BORROWINGS		
UNSECURED		
From Holding Company	133.06	127.60
NOTE 5 : TRADE PAYABLES		
Other Liabilities for Expenses		
Payable to Others	37.96	36.41
Payable to Holding Company	5.12	4.91
	<u>43.08</u>	<u>41.32</u>
NOTE 6 : TRADE RECEIVABLE		
Considered good except otherwise stated:		
Debts outstanding for a period exceeding six months		
Unsecured		
From Holding Company	8.73	8.37
	<u>8.73</u>	<u>8.37</u>



7. Share Capital
Shares are stated at nominal value.
8. Income and Expenditure in Foreign Currency :
The Company has not transacted any business during the 12 months period from April 1, 2014 to March 31, 2015. As such there was no revenue income for the year ended on that date.
9. Amount owing to Holding Company
This is unsecured, interest free and with no fixed terms of repayment.
The holding company is Hindustan Motors Limited, a company incorporated in India.
10. Related party disclosures
Name of the related party where control exists by Hindustan Motors Limited (Holding Company). Transactions with Hindustan Motors Limited :

<u>Nature of transaction:</u>	<u>Balance as on</u> <u>31.03.2015</u> <u>(₹ in lacs)</u>
Trade Payable for expenses	5.12 (4.91)
Trade Receivable	8.73 (8.37)
Loan Taken	133.06 (127.60)

Note : Figures in bracket relate to previous year.

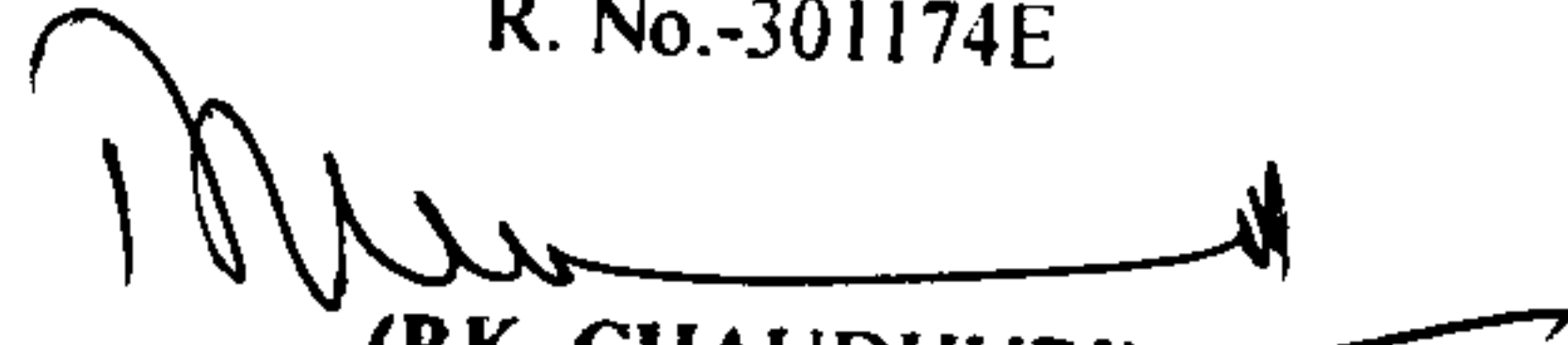
11. Due to absence of taxable income no deferred tax has been recognized on carry forward loss as a matter of prudence.
12. Closing rate of US\$ as on 31.03.2015 – Rs. 62.5908 per dollar.



13. Figures of previous year regrouped / rearranged in terms of current year's grouping. Further current years figures being for 12 months period are not comparable with previous year figures which are for 6 months.

As per our report of even date.

For G. BASU & CO.
Chartered Accountants
R. No.-301174E


(P.K. CHAUDHURI)
Partner
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PLACE KOLKATA

20 MAY 2015