



MARUTI  SUZUKI



HIRA AUTOMOBILES LTD.

ANNUAL REPORT

2008-09

BOARD OF DIRECTORS

S. Rahul Inder Singh Sidhu

Chairman

Mrs. Simran Bajwa

Whole Time Director

S. Kuldeep Singh Bhattal

Whole Time Director

Sh. Rajnish Sharma

Director

Sh. Ramesh Kumar

Director

Mrs. Neha Chauhan

Director

BANKERS

PUNJAB NATIONAL BANK

AUDITORS

DALBIR & ASSOCIATES

Chartered Accountants
1969, Katra Sahib Singh,
Patiala

PRINCIPAL

MARUTI SUZUKI INDIA LIMITED
PALAM-GURGAON ROAD, GURGAON

REGISTERED OFFICE

REGD OFFICE : SCO 348-349, SECTOR 34-A, CHANDIGARH

SHOWROOMS & WORKSHOPS

SHOWROOM (SALES OUTLETS):-

1. Rajbaha Road, PATIALA
2. Bhai Complex, Malout Road ,MUKTSAR

WORKSHOPS :-

1. 13, Factory Area, PATIALA.
2. Narwana Road, PATRAN (Patiala)
3. Bhai Complex, Malout Road ,MUKTSAR
4. C-20, Focal Point, PATIALA.

20th ANNUAL GENERAL MEETING
On Tuesday, the 29th day of September, 2009
At 11.00 A.M at the Registered Office.

Notice of Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting of the members of Hira Automobiles Limited, will be held on Tuesday, the 29th day of September, 2009 at 11:00 A.M. at the Registered Office of the Company situated at SCO 348-349, Third Floor, Sector 34-A, Chandigarh, to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2009 and the Balance sheet as at that date together with the Report of the Directors and Auditors thereon.
2. To appoint a director in place of Sh. Rajnish Sharma, who retires by rotation in accordance with Article 149 of Articles of Association of the company and being eligible, offers himself for reappointment.
3. To appoint a director in place of Sh. Ramesh Kumar, who retires by rotation in accordance with Article 149 of Articles of Association of the company and being eligible, offers himself for reappointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

5. To Consider and if thought fit, to pass with or without modification(s), following resolution as special resolution :
RESOLVED THAT pursuant to the provisions of section 269, Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, the approval of the Members of the Company be and is hereby given to the reappointment of Sh. Rahul Inder Singh Sidhu as whole time director of the company for the period of five years w.e.f. 01.09.2009 on a remuneration of Rs.50000/- per month."
6. To Consider and if thought fit, to pass with or without modification(s), following resolution as special resolution,
RESOLVED THAT pursuant to the provisions of section 269, Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, the approval of the Members of the Company be and is hereby given to the reappointment of Sh. Kuldeep Singh Bhattal as whole time director of the company for the period of five years w.e.f. 01.09.2009 on a remuneration of Rs.45000/- per month."
7. To Consider and if thought fit, to pass with or without modification(s), following resolution as special resolution,
RESOLVED THAT pursuant to the provisions of section 269, Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, the approval of the Members of the Company be and is hereby given to the reappointment of Mrs. Simran Bajwa as whole time director of the company for the period of five years w.e.f. 01.09.2009 on a remuneration of Rs.45000/- per month."

By Order of the Board
For Hira Automobiles Limited.

(Rahul Inder Singh Sidhu)
Chairman

Place: Chandigarh
Date: 03.09.2009

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. The proxy, in order to be effective, must be received by the company not less than forty eight hours before the meeting. The proxy form is enclosed.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 28th day of September, 2009 to 29th day of September, 2009 (both days inclusive).
3. Members desiring any information as regards accounts are requested to write to the company at its Registered Office at least 10 days before the date of the Annual General Meeting so as to enable the Management to keep the information ready.
4. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day from 10:30 a.m. to 12.30 p.m.
5. Explanatory Statement Pursuant to section 173(2) of the Companies Act 1956 is annexed.

Explanatory Statement Pursuant to section 173(2) of the Companies Act 1956.

Item No.5 Sh. Rahulinder Singh Sidhu was appointed as whole time director on 14.11.2003. His term has expired. It is now proposed to reappoint him as whole time director for a further period of five years.

Sh. Rahul Inder Singh Sidhu, Smt. Simran Bajwa, Mrs. Neha Chauhan and Sh. Kuldeep Singh Bhattal are interested in the said resolution.

This resolution is put before shareholders to seek their approval.

Item No.6. Sh. Kuldeep Singh Bhattal was appointed as whole time director on 31.01.2004. His term has expired . It is now proposed to reappoint him as whole time director for a further period of five years.

Sh. Rahul Inder Singh Sidhu, Smt. Simran Bajwa, Mrs. Neha Chauhan and Sh. Kuldeep Singh Bhattal are interested in the said resolution.

This resolution is put before shareholders to seek their approval.

Item No. 7. Mrs. Simran Bajwa was appointed as whole time director on 14.11.2003. Her term has expired. It is now proposed to reappoint her as whole time director for a further period of five years.

Sh. Rahul Inder Singh Sidhu, Smt. Simran Bajwa, Mrs. Neha Chauhan and Sh. Kuldeep Singh Bhattal are interested in the said resolution.

This resolution is put before shareholders to seek their approval.

By Order of the Board
For Hira Automobiles Limited.

Place: Chandigarh
Date: 03.09.2009

(Rahul Inder Singh Sidhu)
Chairman

DIRECTORS' REPORT

To
The Members.

The Directors of your company have pleasure in presenting the 20th Annual Report together with Audited Accounts of the company for the year ended 31st March, 2009.

FINANCIAL RESULTS

The financial results of the company are as under:

	(Rs. In Lacs)	
	<u>2008-09</u>	<u>2007-08</u>
TURNOVER	9577.12	8521.36
OTHER INCOME	391.43	295.74
PROFIT BEFORE TAXATION	41.38	31.05
CURRENT TAX (Net of last year adjustment)	10.32	12.61
PROFIT AFTER CURRENT TAX	31.06	18.44
PROVISION OF FRINGE BENEFIT TAX	6.90	5.72
DEFERRED TAX /LIABILITY	6.34	0.43
PROFIT AFTER DEFERRED TAX	17.82	12.29

1. REVIEW OF OPERATIONS

Your Company achieved Sales & Other income of Rs.9968.55 Lacs as compared to Rs. 8817.10 Lacs during the previous year with a net profit of Rs.17.82Lacs as compared to Rs.12.29 lacs in the previous year..

2. RESOURCE UTILIZATION:**(i) Fixed Assets:**

The gross fixed assets as at 31st March , 2009 were Rs 823.10 lacs as compared to Rs. 617.23 lacs in the previous year. During the year, the Company added net assets amounting to Rs.205.87 lacs, which is mainly on account of addition of fixed assets in building , vehicles, furniture and fixtures, computers and plant and machinery. Your company has purchased land at Rajpura during the year as the Company has been allotted by MSIL a dealership there and an extension counter at Malout . Hence, the company is planning to expand at Rajpura as 3S dealership and at Malout also as 3S extension counter.

(ii) Working Assets:

The Net Current Assets as on 31st March, 2009 were Rs 950.52 lacs as against Rs.1120.16 lacs in the previous year.

3. DIVIDEND :

Your Directors regret to recommend any dividend for this year also owing to deployment of profits for further expansion.

4. PUBLIC DEPOSITS :

The company has not accepted any deposits under sections 58A and 58AA of the companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules,1975 except advance against car sales / sales promotion schemes of monthly installments, hence no amount of principal or interest, u/s 58A and 58AA was outstanding as on the date of Balance Sheet.

5. CONTRIBUTION TO EXCHEQUER:

Your company's contribution to the Government exchequer during the year under review by way of sales tax and service tax was Rs. 1155.98 lacs.

6. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

Your company is an authorised dealer of Maruti Suzuki India Ltd. for selling Maruti Suzuki vehicles and spares and for providing workshop facilities to the customers. Hence there is no special requirement of energy and technology. The information under section 217 (1)e of The Companies Act, 1956 is nil.

7. PERSONNEL:

None of the employee of the company is in receipt of remuneration for whole / part of the year exceeding the limit prescribed under section 217(2 A) of the Companies Act 1956. The company has continued to follow the policy of creating healthy environment and work culture resulting into harmonious inter-personnel relations. The relations with employees remained cordial throughout the year.

8. DIRECTORS:

Mrs. Ravneet Kaur and Sh. Inderpal Singh has resigned on 1.07.2009. Sh Rajnish Sharma and Sh. Ramesh Kumar retire at the forth coming Annual General Meeting pursuant to Article 149 of Articles of Association of the company and being eligible, offer themselves for reappointment.

9. LISTING:

The securities of the company are listed at Mumbai, Delhi, Ludhiana and Ahamdabad Stock Exchanges. The Company has paid the listing fees for the financial year 2009-10.

10. AUDITORS :

M/s Dalbir & Associates., Chartered Accountants are proposed for re-appointment as Statutory Auditors of the company from the conclusion of this ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

11. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217 (2AA) of the Companies Act 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that :

- 1) In the preparation of the annual accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) The Directors have selected such accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review ;
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities ;
- 4) The Directors have prepared the accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

12. FOREIGN EXCHANGE EARNINGS AND OUT GO

Your company has neither earned any foreign exchange nor incurred any expenditure of foreign exchange during the year under review.

13. CORPORATE GOVERNANCE

Pursuant to clause 49 of Listing Agreement with Stock Exchange(s), the Company has complied with the provisions of Clause 49 as per the schedule of implementation of Corporate Governance and Management Discussion and Analysis report on corporate governance and auditors certificate regarding compliance with corporate governance form part of the annual report.

14. COMPLIANCE CERTIFICATE:

The Company has obtained a Compliance Certificate as required u/s 383A of the Companies Act, 1956, which is attached herewith and it forms part of the Directors Report.

15. ACKNOWLEDGEMENTS :

Your directors are pleased to place on record their sincere thanks to the Maruti Suzuki India Limited, Punjab National Bank, Other financial institutions and Business Constitutes for their continued valued co-operation and support to the company. Your directors also express their deep appreciation for the devoted and sincere services rendered by workers, staff and executives at all levels of the operations of the company during the year and we are confident that your company will continue to receive such co-operation from them in future also.

By Order of the Board
For Hira Automobiles Limited.

Place: Chandigarh
Date: 03.09.2009

(Rahul Inder Singh Sidhu)
Chairman

COMPLIANCE CERTIFICATE
(In terms of Section 383A of The Companies Act, 1956)

CIN: L50101CH1989PLC009500

NOMINAL CAPITAL :RS.6,00,00,000/-

PAID UP CAPITAL : RS. 32656780/-

**To,
The Members,
Hira Automobiles Limited
SCO 348-349, Sector-34 A, Chandigarh.**

I have examined the registers, records, books and papers of Hira Automobiles Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2009. In my/our opinion and to the best of my/ our information and according to the examinations carried out by me/us and explanations furnished to me/us by the company, its officers and agents, I/we certify that in respect of the aforesaid financial year.

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The company is a public limited company and the provisions of minimum paid up capital, restrictions on invitation to the public and to subscribe for shares /debentures and invitation or acceptance of deposits are not applicable.
4. The Board of Directors duly met six times on 30.04.2008, 31.07.2008, 30.08.2008, 31.10.2008, 31.01.2009 and 10.02.2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members from 24.09.2008 to 25.09.2008 (both days inclusive) and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31.03.2008 was held on 25.09.2008 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. An extra ordinary general meeting was held on 10.03.2009 during the financial year.
8. The company has not advanced any loan to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section. The company has purchased services worth Rs. 2.58 lacs from the company whose name is entered in the register maintained under Section 301 of the Act for cash at prevailing market prices for advertisement and publicity.

10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. The company was not required to obtain any approval from the Board of Directors, members and previous approval of the Central Government pursuant to section 314 of the Act.
12. The company has not issued any duplicate share certificate during the year .
13. The Company :
 - (i) has delivered all the certificates on allotment of securities and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) has not declared any dividend during the year and therefore company was not required to deposit any amount in a separate Bank Account.
 - (iii) was not required to pay / post warrants for dividends and was not required to transfer unclaimed/unpaid dividend to Unpaid Dividend Account of the Company.
 - (iv) was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The appointment of Managing Director/ Whole-time Director/Manager has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act.
16. The company has not appointed any sole-selling agent during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities under the various provisions of the Act during the financial year .
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares/debentures/other securities during the financial year.
20. The company has not bought back any shares during the financial year .
21. The company has not redeemed any preference shares/debentures during the year.
22. There were no transactions which require the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31.03.2009 is/are within the borrowing limits of the company as per Section 293(1)(d) of the Act.
25. The company has not made any loans or advances , or given guarantees or provided securities to other bodies corporate.
26. The company has not altered the provisions of the Memorandum of Association with respect to situation of the company's registered office from one state to another during the year under scrutiny
27. The company has not altered the provisions of the Memorandum of Association with respect to the objects of the company during the year under scrutiny .

28. The company has not altered the provisions of the Memorandum of Association with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum of Association with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association of the company during the year under scrutiny.
31. The company has received a letter U/S 234 (1) of the Companies Act, 1956 dated 23.01.2009 from ROC, Jullundhar and the company has furnished all the information and documents in reply. No other prosecution was initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has received Rs. 156150/- as security from its employees during the year and has deposited the same in separate bank account..
33. The company has not constituted any provident fund under Section 418 of the Act. However, the company has deposited both employee's and employer's contribution to Provident Fund with prescribed statutory provident fund authorities.

Place: CHANDIGARH

Date : 3.09.2009

Signature :

Name of Company Secretary : RAVINDER KUMAR

C. P-. No. :8444

Annexure A

Registers as maintained by the Company

STATUTORY REGISTERS	UNDER SECTION
1. Registers of members	u/s.150
2. Copies of annual return	u/s.163
3. Minute book of meetings of board of directors	u/s.193
4. Minute book of meetings of shareholders	u/s193
5. Books of Accounts	u/s209
6. Register of particulars of companies in which directors are interested	u/s301
7. Register of directors, managing directors etc	u/s303
8. Register of directors ,managing director shareholding	u/s307
9. Register of charge and mortgage	u/s143

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2009.

1. Annual Return	U/s 159
2. Balance Sheet	U/s 220

Place: CHANDIGARH**Date : 3.09.2009****Signature :****Name of Company Secretary :RAVINDER KUMAR****C. P-. No. :8444**

REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

The report on Corporate Governance is requirement under Listing Agreement entered into with stock Exchange and forms part of the report of the Board of Directors to the shareholders of the Company. This report gives an insight into the organizational structure of the Company.

VISION AND PHILOSOPHY ON THE CODE OF GOVERNANCE.

The vision of the company is to be a financially sound, profitable, growth oriented company committed to building and maximizing sustainable value for all the shareholders. In its endeavour to attain the goal visualized, the company is laying maximum emphasis on the effective system of Corporate Governance.

BOARD OF DIRECTORS

Composition :

The strength of Board of Directors of the Company as on 31.03.2009 is Eight, comprising of four promoter directors and four independent directors having diversified professional experience. Out of which Five Directors are non-executive and Three Directors are whole time directors in the Company. The composition of board of directors is as below:-

Chairman of the company is **executive**.

The particulars relating to the Directors as on 31.03.2009 are given below:-

S.No.	Name	Designation	Nature of Directorship
1.	Sh. Rahul Inder Singh Sidhu	Chairman & Whole time Director	Promoter / Executive
2.	Sh. Kuldeep Singh Bhattal	Whole time Director	Promoter / Executive
3.	Mrs. Simran Bajwa	Whole time Director	Promoter / Executive
4.	Mrs. Neha Chauhan	Director	Promoter / Non Executive
5.	Sh. Rajnish Sharma	Director	Independent / Non Executive
6.	Sh. Ramesh Kumar	Director	Independent / Non Executive
7.	Mrs. Ravneet Kaur*	Director	Independent / Non Executive
8.	Dr. Inderpal Singh *	Director	Independent / Non Executive

* Resigned on 1.07.2009.

At present no sitting fees is being paid to any director and there are no pecuniary relationships or transactions between the company and independent directors. None of the directors on Board holds the office of directors in more than fifteen Companies or membership in more than ten committees of the board or chairmanship of more than five committees.

CONDUCT OF BOARD MEETING:

The meetings of the board of directors are held at periodical intervals. The meeting dates are decided well in advance and the agenda papers are circulated sufficiently in advance to the Directors. The Directors have access to all the information about the Company and can suggest for inclusion of any other matter in the agenda for discussion at the Board meetings. The responsibilities, such as policy formulation, performance review and analysis & controls are handled by the Board. The Board has delegated various powers to the committee of Board of Directors of the Company.

The meetings of the Board are ordinarily required to be held at least once in quarter and four times in a year. During the year, the Board met 6 times on the following dates.

30.04.2008	31.07.2008	30.08.2008
31.10.2008	31.01.2009	10.02.2009

The attendance of Directors at the meetings for the year 2008-2009 and directorship in other companies, membership in other companies and Share holding as on 31-03-2009 is furnished below

S.No.	Name of Director	No. of Board Meeting attended	Nos of other Directorship	Membership in other Committees	Share holding as on 31-03-2009 in HAL
1	Sh. Kuldeep Singh Bhattal	6	2	-	272100
2	Mrs. Simran Bajwa	6	2	-	265010
3	Sh. Rahul Inder Singh Sidhu	6	2	-	270000
4	Sh. Rajnish Sharma	1	2	-	-
5	Sh. Ramesh Kumar	-	-	-	-
6	Mrs. Ravneet Kaur	-	-	-	-
7	Dr. Inderpal Singh	-	-	-	-
8	Mrs.Neha Chauhan	6	1	-	-

The following Directors attended the last Annual General Meeting held on 25.09.2008

Sh. Kuldeep Singh Bhattal
Mrs. Simran Bajwa
Sh. Rahul Inder Singh Sidhu
Mrs. Neha Chauhan

COMMITTEES OF THE BOARD OF DIRECTORS:

The Board constituted the following committees:

1. Audit Committee to oversee audit functions of the Company.
 2. Shareholders'/Investors' Grievances Committee to look into the redressal of shareholders'/investors' Grievances.
 3. Remuneration Committee
- The minutes of each Committee are placed before the Board of Directors at their subsequent meeting.

Audit Committee:

Audit committee consists of three directors and two of them are independent and non-executive directors. Five meetings of Audit Committee were held in the year under consideration. The detail of members as on 31.03.2009 and their attendance is as under:

Name of Directors	Category	Designation	Nos. of meetings attended
Dr. Inderpal Singh	Non-Executive and Non Promoter	Chairman	5
Smt. Simran Bajwa	Executive and Promotor	Member	5
Smt. Ravneet Kaur	Non-Executive and Non Promoter	Member	5

Shareholders/Investors Grievance Redressal Committee

During the financial year two meetings of Shareholders/Investors Grievance Committee were held to consider all the matters concerned with shareholders.

The details of members as on 31.03.2009 and their attendance is as under:

Name of Directors	Category	Designation	Nos. of meetings attended
Smt. Simran Bajwa	Executive and Promotor	Chairman	2
Sh. Rajnish Sharma	Non-Executive and Non Promoter	Member	0
Smt. Ravneet Kaur	Non-Executive and Non Promoter	Member	2

Remuneration of directors

There is no pecuniary relationship or transaction of the company with its independent directors other than payment of sitting fee to them for attending Board and Committee meetings. All the three Executive Directors are paid by way of monthly remuneration, and no commission on profits is paid to any of the Directors.

Remuneration Committee

The details of members of Remuneration Committee as on 31.03.2009 is as under:

Name	Category	Designation
Smt. Simran Bajwa	Executive and Promotor	Chairman
Sh. Rajnish Sharma	Non-Executive and Non Promoter	Member
Sh. Ramesh Kumar	Non-Executive and Non Promoter	Member

The remuneration committee met only once in the year and all the three members attended the meeting.

Compliance Officer:

Sh. Kuldeep Singh Bhattal, Director has been appointed as Compliance officer for the purpose of complying with various provisions of the Guidelines, Regulations issued by Securities & Exchange Board of India, Listing Agreement with stock exchanges, etc.

Common Agency/Share Transfer Agent:

The Company has appointed M/s Beetal Financial & Computer Services Pvt Ltd , New Delhi as Common Agency for Share Transfer work in both modes physical as well as electronically. Following is the address of Transfer Agent:

M/s Beetal Financial & Computer Services Pvt Ltd.
Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Center,
Near Data Harsukhdas Mandir
New Delhi- 110062
Ph.: 011-29961281/82
Fax : 011-29961284

Share holders complaints

Opening Balance Nil
Received Nil
Settled Nil
Closing Balance Nil

No shareholders complaint is pending and No share transfer is pending with the company.

GENERAL BODY MEETINGS:

Detail of last 3 Annual General Meetings are given here below:-

Financial Year	Date	Time	Venue
2005-2006	30.09.2006	9.00 A.M	Regd. Office
2006-2007	29.09.2007	11.00 A.M	Regd. Office
2007-2008	25.09.2008	11.00 A.M.	Regd. Office

SPECIAL RESOLUTIONS:

Following Special Resolutions were passed in the past 3 Annual General Meeting:

Date of AGM	Special Resolution
30.09.2006	Nil
29.09.2007	Nil
25.09.2008	Yes

An Extraordinary General Meeting was held on 10.03.2009.

COMMUNICATION TO SHAREHOLDERS:

Company provides information relating to the company mainly through the annual reports which includes the Directors report, audited accounts, cash flow statements etc. The shareholders are also intimated the quarterly, and yearly and annual performances through intimation to stock exchanges.

GENERAL INFORMATION TO SHAREHOLDERS:**Listing on Stock Exchanges:**

The shares of the company are listed on the following stock exchanges:

1. The Stock Exchange, Mumbai.
2. The Delhi Stock Exchange.
3. The Ludhiana Stock Exchange.
4. The Ahmedabad Stock Exchange.

Annual Listing fee for the year 2009-10 has been paid to the Stock Exchanges

20th Annual General Meeting

Date : 29.09.2009

Time : 11.00 AM

Venue : SCO 348-349, Third Floor, Sec 34- A Chandigarh.

Financial Year 2008-09

Date of Book Closure 28-09-2009- 29-09-2009(Both Days inclusive)

Distribution of share holding of the company as on 31.03.2009–Category wise

S.No.	Category	No. of Shares Held	%age of shareholders	
1.	Promoter	2634710	48.54	
2.	Indian Public	2793130	51.46	
Total		5427840	100.00	

Distribution of share holding of the company as on 31.03.2009 value wise

Shareholding of Nominal value Rs.	Shareholders		Shares	
	Number	%	Number	%
1 – 5000	1472	90.31	201130	3.71
5001 – 10000	112	6.87	100200	1.85
10001 – 20000	17	1.04	26500	0.49
20001 – 30000	4	0.25	9700	0.18
30001 – 40000	4	0.25	13800	0.25
40001 – 50000	1	0.06	4400	0.08
50001 – 100000	1	0.06	5200	0.10
100001 and above	19	1.16	5066910	93.34
Total	1630	100.00	5427840	100.00

DEMATERIALISATION OF SHARES AND LIQUIDITY:

The Company is in the process of making application to NSDL/CDSL for issue of ISIN. The shares of the company have not been traded during the period under review.

ADDRESS FOR CORRESPONDENCE

Followings are addresses for correspondence:

REGISTERED OFFICE

Hira Automobiles Ltd.

SCO 348-349, Third Floor,

Sec 34-A, Chandigarh

Showrooms Locations:

Hira Automobiles Ltd.

Rajbaha Road,

Patiala.

Ph. No .0175-2309769

Hira Automobiles Ltd.

Malout Road,

Muktsar.

Ph.No 01633-262020

BRIEF PROFILE OF DIRECTORS SEEKING REAPPOINTMENT

	<u>Name</u>	<u>Directorship</u> <u>In others companies</u>	<u>Membership</u> <u>in committees</u> <u>Of Hira Automobiles Ltd.</u>
1.	Sh. Rajnish Sharma	2	2
2.	Sh. Ramesh Kumar	-	One

MANAGEMENT DISCUSSION AND ANALYSIS

A. The Automobile Industry:

The year under discussion was a year during which recession hit the Automobiles Industry at International level but least affected the automobile industry in India except the commercial vehicle market. The personal vehicle industry grew and so did Maruti and took its share to remain the market leader. Maruti Suzuki seems to be going ahead of its target to reach the figure of 10 lac car production. The thrust put in by all manufacturers to push their cars in the market had a positive effect and growth in the industry seems imminent.

B. The vision this year: Opportunities and threats

Crores of rupees are being pumped into the market. This may be in the form of arrears to the service class or for agriculture and rural development. This is being eyed by all the manufacturers in the industry and outside to grab the maximum possible share out of the same. The spending capacities of the middle-class will increase and Maruti Suzuki has the maximum acceptability in the middle class buyers. The road ahead seems to be very clear and smooth for our company to grow. The base that we have in the rural market will be encashed this financial year also.

The Maruti Suzuki is bringing focus on tapping the above markets and has made a separate team to focus on these segments for enhancing sales. To further strengthen the sales, new models will be launched in this financial year. The models in the A2 segment will be hot selling as the demand in this segment is growing fast.

The automobile industry will see many new launches this year. The market-place will be a tougher place to survive. Every manufacturer will launch new models and the existing variants will be upgraded. This will pose new challenges. Your company is well equipped to meet the challenges and is planning to expand and be nearer to the end user so that they come in contact with the customers before the competition can come in.

The **Marketing Efforts** are a continuous process. Month on month activities are planned in co-ordination with the principals to bring focus on our products area-wise and segment-wise. It may be road-shows, customer meets, corporate tie-ups, rural marketing etc. or it may be publicity through media, hand bills or banners.

C. Segmentwise Performance

The company being an authorized dealer of Maruti is dealing in all models produced by Maruti Suzuki India Ltd. The demand of the products varies from time to time and hence there is a variation in production. So segmentation of the products has not been done instead have been grouped together.

D. Risks & Concerns

With the continuous growth in the industry and the rise in market demand your management does not perceive any risk to the business.

E. Internal Control System

The internal control system of your company is adequate to keep each operation and performance in check. The system of internal audit, pre-audit keeps the management updated and the advice from time to time helps in keeping control on every activity. The scope of internal audit is quite wide so as to cover all the aspects and functions in the company.

The internal audit reports are studied by the audit committee and corrective actions are taken immediately.

F. Human resources

The strength of each company is its 'Human stock'. Your company that way is lucky. The dedicated manpower works as a team – thanks to the nice relations which exists between the management and the workers. Every endeavour is made to improve the quality of manpower by giving continuous trainings and the systems are in place to minimise the effects of attrition on the performance of the company. Maruti Suzuki on its part is wholeheartedly participating in training of the manpower.

G. Marketing

As Maruti is preparing to sell 10 lakh units in 2010 we are keeping with the times to increase our numbers in the market. Innovative efforts are being through of and implemented as per market situations. Publicity and personal contacts are being increased in rural and urban areas.

H. Dealership strategy

The focus of the dealership strategy is on profits for the company. In view of increasing profitability in the workshop area the facilities have been expanded and the increase capacity will bring about the enhanced revenue required. Each profit head has been made independent and targets to make profits in each department are made responsibility of the department head. New streams of revenue are being explored so that they can be added for increasing revenues.

CEO & CFO Certification Under Clause 41 & 49(v) of the listing Agreement to be placed before the Board along with Audited Annual Accounts for the year ended 31st March 2009

It is hereby certified that:

- 1) We have reviewed financial statements and the cash flow for the year and that to the best of our knowledge and belief;
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or volatile to the company code of conduct..
- 3) We accept responsibility for establishing and maintaining internal controls for financial Reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the auditors and the Audit committee:
 - a) Significant changes in internal control over financial reporting during the year if any;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements if any;
 - c) There were no instances of fraud of which they have become aware and the involvement their in, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Chandigarh

Date : 03.09.2009

Kuldeep Singh Bhattal

Whole Time Director.

Certificate of Compliance of Code of Conduct by Board of Directors and Senior Management Personnel

This is to certify that Board of Directors and the Senior Management Personnel have affirmed Compliance of the Code of Conduct applicable to them during the year ended 31st march 2009.

Place : Chandigarh

Date : 03.09.2009

Kuldeep Singh Bhattal

Whole Time Director.

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To,
The Members
Hira Automobiles Ltd.

We have examined the compliance of conditions of corporate governance by M/s Hira Automobiles Limited, for the year ended 31st March, 2009 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 is limited to a review of the procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that, no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the shareholders/Investor Grievance Committee, other than those which are a subject matter of litigation.

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: Chandigarh
Dated: 03.09.2009

For Dalbir & Associates
Chartered Accountants

Dalbir Singh
Prop.
M.No.096320

AUDITOR'S REPORT

To
The Members,
Hira Automobiles Ltd.

1. We have audited the attached Balance Sheet of Hira Automobiles Limited as at 31st March 2009, the Profit & Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed there to. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion .
3. As required by the Companies (Auditor's report) order 2003 issued by the central government of India in terms of sub section (4-A) of section 227 of the Companies Act 1956 , we enclose in the Annexure, a statement on the matters specified in the paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :-
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) 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 and proper returns adequate for the purpose of our audit have been received from branches not visited by us.
 - iii) The Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account of the company.
 - iv) In our opinion , the Balance Sheet and Profit & Loss Account and cash flow statement dealt with by this report are in compliance with the Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956.
 - v) On the basis of written representations received from directors of the company as on 31st March, 2009 and taken on record by the board of directors, We report that none of the directors is disqualified as on 31st March 2009, from being appointment as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and other notes of accounts thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2009; and
 - b) In the case of Profit & Loss account, of the profit of the company for the year ended on that date; and
 - c) In the case of cash flow statement, of the cash flow for the year ended on that date.

Place: Chandigarh
Dated: 03.09.2009

For Dalbir & Associates
Chartered Accountants

Dalbir Singh
Prop.
M.No.096320

Annexure to the Auditors' Report

(Referred to in paragraph (3) of our report of even data)

1. In respect of its fixed assets: -
 - a. The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to size of the company and nature to its assets. No material discrepancies were noticed on such physical verification.
2. In respect of its inventories,
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verifications of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c. The company has maintained proper records of inventories. As explained to us, there were some discrepancies noticed on physical verification of inventory as compared to books of record which have been rectified or adjusted accordingly in the books.
3. In respect of loans secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a. The company has granted inter corporate deposit to two companies covered in the register maintained under section 301 of the companies Act. 1956, Detail of amount of transactions and balance outstanding as on 31.03.2009 is as under.
 - 1) Name of the company : Pacific Finlease Pvt Ltd
 Debit Summations : Rs. 1.67 Lacs
 Credit Summations : Rs. 37.00 Lacs
 And Balance Outstanding as on 31/03/2009 is Rs. 9.54 lacs
 - 2) Name of the company : Bajwa Arjun Property Developers Pvt Ltd
 Debit Summations : Rs. 29.96 Lacs
 Credit Summations : Rs NIL
 And Balance Outstanding as on 31/03/2009 is Rs.247.86 lacs

In our opinion and information and explanations given to us , company has not taken secured or unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Act.

- b. In our opinion and according to the information and explanations given to us, the rate of interest and other terms & conditions of inter corporate deposits given to the companies mentioned above in 3(a) is not prima-facie prejudicial to the interest of the company.
 - c. As explained above company has not taken any loan from companies, firms or parties covered in the register maintained under section 301 of the companies Act.1956, and in respect of loan granted to. the companies mentioned above in 3(a), the account is running one.
 - d. In our opinion and according to information & explanations given to us, there is no overdue amount in respect of the loan given by the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of the inventory, fixed assets and also for the sale of goods. During the course of our audit we have not observed any major weaknesses in internal controls.
5. In respect of the transactions covered under section 301 of the Companies Act , 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements , that needed to be entered into the register maintained under section 301 of the Companies Act 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us , These transactions have been made at price which are reasonable having regard to the prevailing market price at the relevant time.
6. The company has not accepted any deposits from the public except advances for sale of vehicles/ against sales promotion schemes run by the company to promote its sales.
7. In our opinion the internal audit system of the company is commensurate with its size and nature of its business.
8. The maintenance of cost records under section 209(1)(d) of the Companies Act 1956 has not been prescribed by the central government for the company since it is not a manufacturing concern.
9. In respect of statutory dues :
 - a. In our opinion and according to the information and explanations given to us, the company is regular in depositing all undisputed statutory dues including Provident Fund, Investor Education and Protection Fund , E.S.I , Income Tax, Sales Tax, Wealth Tax , Custom Duty, Excise Duty, Cess and any other statutory due with appropriate authority. According to the information and explanations given to us , no undisputed amount was outstanding in respect of statutory dues as at 31st March 2009 for a period of more than 6 months from the date of becoming payable.
 - b. There is no amount outstanding in case of sales tax/income tax / custom duty / wealth tax / excise duty /cess on account of any dispute.

10. The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in financial year and in the financial year immediately preceding such financial year also.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks.
12. Our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, clause 4(xiii) of the companies (Auditor's Report) order 2003 is not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. But the investment made in shares of other companies are held in its own name.
15. According to the information and explanations given to us, we are of the opinion that the company has not given any guarantees for loans taken by others from banks and financial institutions.
16. According to the information and explanation given to us the company has not raised any fresh term loans during this financial year. .
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company , we are of the opinion that the company has not utilized from short term sources for long-term investments .
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued debentures, therefore the company has not created any security for the debentures issued.
20. The company has not raised any money by way of public issue during the year .
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

Place: Chandigarh
Dated: 03.09.2009

For Dalbir & Associates
Chartered Accountants

Dalbir Singh
Prop.
M.No. 096320

BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule	Current Year	Previous Year
1) SOURCES OF FUNDS			
1) Share Holder's Fund			
a) Share capital	1	32656780	32656780
b) Reserve & surplus	2	12923287	11141158
2) Loan Funds			
Secured Loans	3	104872488	106474384
3) Deferred Tax Liability		6200998	5567245
TOTAL		<u>156653553</u>	<u>155839567</u>
2) APPLICATIONS OF FUNDS			
1. FIXED ASSETS	4	59959250	42180934
2. INVESTMENTS	5	1642516	1642516
3. CURRENT ASSETS, LOAN AND ADVANCES			
a) Inventories	6	104095466	102946283
b) Sundry debtors	7	27397271	32318589
c) Cash & Bank Balance	8	19865898	16217179
d) Loan & Advances	9	41158646	41085647
		<u>192517281</u>	<u>192567698</u>
Less Current Liabilities and Provisions			
Current liabilities	10	83852594	72040320
Provisions	11	13612899	8511261
		<u>97465493</u>	<u>80551581</u>
Net Current Assets		<u>95051787</u>	<u>112016117</u>
TOTAL		<u>156653553</u>	<u>155839567</u>

SIGNIFICANT ACCOUNTING POLICIES

17

NOTES TO ACCOUNTS

18

The schedule referred to above form an integral part
Of the Balance Sheet

As per our report of even date attached

For and on behalf of Board of Directors of the Company

For Dalbir & Associates
Chartered Accountants

RAHULINDER SINGH SIDHU
Chairman / Whole time Director

KULDEEP SINGH BHATTAL
Whole Time Director

Dalbir Singh
Prop.
M.NO 096320
Place : Chandigarh
Date : 3.9.2009

S.P. Jindal
Manager Accounts

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Current Year Rs.	Previous year Rs.
INCOME			
1. Sale	12	957712356	852136300
2. Other Income	13	39143000	29574088
TOTAL		<u>996855356</u>	<u>881710388</u>
EXPENDITURE			
1. Purchases	14	938417183	864834630
2. Administrative & Other Exp.	15	45296537	38694793
3. Financial Charges	16	7015801	5585286
4. Preliminary Expenses W/Off		0	516354
5. Depreciation		3136574	3179503
TOTAL		<u>993866095</u>	<u>912810566</u>
Add/Less (Increase) /Decrease in stock		-1149182	-34205340
		<u>992716913</u>	<u>878605226</u>
Net profit for the year (before income tax)		4138443	3105162
LESS: TAX EXPENSES			
Income Tax Provision (Current Year)		1032560	1199350
FBT Provision (Current Year)		690000	572074
Deferred Tax Liability		633753	43080
		<u>1782130</u>	<u>1290658</u>
Add/Less Last Year Adjustment			
Income Tax Adj		0	61520
Balance carried forward to Balance Sheet		<u>1782130</u>	<u>1229138</u>

The Schedules referred to above form an Integral part of the Profit and Loss Account

As per our report of even date attached

For and on behalf of Board of Directors of the Company

For Dalbir & Associates
Chartered Accountants

RAHULINDER SINGH SIDHU
Chairman / Whole time Director

KULDEEP SINGH BHATTAL
Whole Time Director

Dalbir Singh
Prop.
M.NO 096320
Place : Chandigarh
Date : 3.9.2009

S.P. Jindal
Manager Accounts

SCHEDULE	Current year Rs.	Previous Year Rs.
SHARE CAPITAL		
AUTHORISED:6000000 Equity Shares of Rs. 10/- each	60000000 <u>60000000</u>	60000000 <u>60000000</u>
ISSUED, SUBSCRIBED & PAID UP 5427840 Equity Shares of Rs.10/-each.	54278400	54278400
Less Allotment Money Yet to be received	21621620	21621620
Total	<u>32656780</u>	<u>32656780</u>
SCHEDULE-2		
RESERVE & SURPLUS		
As per last Balance Sheet	17342155	15436185
Add transferred from Profit & Loss A/c	1782130	1272218
	<u>19124285</u>	<u>16708403</u>
Less : Deferred Taxes	6200998	5567245
Total	<u>12923287</u>	<u>11141158</u>
SCHEDULE-3		
SECURED LOANS		
Cash Credit Facility (Against hypothecation of stock of Vehicles ,Spares and Oil & Lubricants)		
From PNB, Gurmandi Branch, Patiala	67312497	68100532
From PNB, NGM, Muktsar	2346646	1841930
(Against hypothecation of stocks of Vehicles, spares, oil & Lubricant)		
INF AXIS BANK	34091011	35813247
Term Loan Ag Hypothecation of Vehicles	1122334	718675
Total	<u>104872488</u>	<u>106474384</u>

SCHEDULE-5**Current Year
Rs.****Previous Year
Rs.****INVESTMENTS**

Redeemable Preference Share of Chardikalan Publication Pvt. Ltd. ,	5000	5000
Equity Shares with Punjab National Bank	6200	6200
Shares in Bajwa Arjun Property	1100000	1100000
PNB Mutual Fund Units	531316	531316
Total	<u>1642516</u>	<u>1642516</u>

SEHEDULE-6**INVENTORIES**

(As taken ,valued and certified by the Management)

Cars	87725067	89294245
Spare Parts & Accessories	14710865	12943538
True Value Vehicles	1659534	708500
Total	<u>104095466</u>	<u>102946283</u>

SEHEDULE-7**SUNDRY DEBTORS**

Outstanding for over six months

Unsecured Considered Good

Other Debtors

Unsecured Considered Good

Total

	304506	1315457
	27092765	31003132
Total	<u>27397271</u>	<u>32318589</u>

SEHEDULE-8**CASH & BANK BALANCE**

Cash in Hand

Balance with Scheduled Banks

Balance with Unscheduled Banks

Total

	2888693	4622965
	8125008	10697252
	8852197	896962
Total	<u>19865898</u>	<u>16217179</u>

SEHEDULE-9**LOAN & ADVANCES**

(Unsecured Considered Good

Advance Recoverable in cash or in kind

Or for value to be received)

Tax Payment (T.D.S.).

MUL Security

Inter Corporate Deposits

Other Advances

Total

	3377757	2638942
	2500000	2000000
	25740942	26277282
	9539947	10169423
Total	<u>41158646</u>	<u>41085647</u>

SCHEDULE -10	Current Year	Previous Year
	Rs.	Rs.
CURRENT LIABILITIES		
Customer Advances	80022448	70807194
Other Creditors	3830146	1233126
Total	<u>83852594</u>	<u>72040320</u>
SCHEDULE -11		
PROVISIONS		
VAT/Sales Tax	7820826	4692584
TDS	522335	427664
Others	5269738	3391013
Total	<u>13612899</u>	<u>8511261</u>
SCHEDULE -12		
SALES		
Sales Of Vehicles	892187446	803304518
Sales Of Spare Parts & Accessories	65524910	48831782
Total	<u>957712356</u>	<u>852136300</u>
SCHEDULE -13		
OTHER INCOME		
Workshop Income	25061578	19088763
Misc. Income	14081422	10485325
Total	<u>39143000</u>	<u>29574088</u>
SCHEDULE -14		
PURCHASES		
Purchases of Vehicles	875980233	821311503
Purchases of Spare Parts & Accessories	62436950	43523127
Total	<u>938417183</u>	<u>864834630</u>

HIRA AUTOMOBILES LTD.**SCHEDULE -15**

Expenses	Current Year Rs.	Previous Year Rs.
Salary & Wages	23794780	20290878
Commission & Incentive	3796748	2709336
Audit Fees	315000	240000
Generator Expenses	937090	483573
ISO 9002	111966	44349
Legal & Professional Charges	189289	575013
Workshop Expenses	1067067	732816
Travelling & Conveyance	2420252	1709102
Motor Vehicle Running Exp	467420	383769
Listing Fees	188832	35750
Postage, Telegram & Telephones	1244897	1588196
Insurance	571531	850970
Staff Welfare	634482	490132
Printing & Stationery	907077	875140
Advertisement –Sales Schemes	672318	614779
Repair & Maintenance of Fixed Assets	1150781	699400
Electricity	1328786	1428767
Rent, Rates & Taxes	518924	438694
Sales Promotion	2234867	1374369
PDI Expenses	545257	365419
Sanitation Expenses	62040	36764
Service Tax Expenditure	0	36195
Training & Development	420848	392388
Other Administrative Exp	1716285	2298994
Total	<u>45296537</u>	<u>38694793</u>

SCHEDULE-16**Financial Charges**

Interest (Net)	5249985	3996331
Bank Charges	1765816	1588955
Total	<u>7015801</u>	<u>5585286</u>

SCHEDULE 17-SIGNIFICANT ACCOUNTING POLICIES

- 1) Basis of preparation of financial statements**
The financial statements are prepared on accrual basis of accounting, and in accordance with the provision of Companies Act, 1956 and comply, in all material aspects, with the Accounting Standards issued by the Institute of Chartered Accountants of India notified under section 211(3C) of the companies Act, 1956.
- 2) Revenue Recognition**
 - (i) **Sale of products** is recognised when the products are supplied in accordance with the terms of sale and recorded net of trade discounts.
 - (ii) **Service Income** is accounted for as and when vehicles are serviced in accordance with the terms of service and recorded net of discount
- 3) Fixed Assets**
Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use are included to the extent they relate to the period till such assets are ready to be put to use.
- 4) Borrowing Costs**
Borrowing Costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.
- 5) Depreciation**
Depreciation is provided using the Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956.
- 6) Inventories**
Inventories are valued At Cost or Net Realizable value, which ever is lower. The cost is ascertained on Average basis except vehicles where cost is ascertained on specific cost basis.
- (7) Retirement Benefit Costs**
Contribution to defined contribution schemes such as Provident Fund and ESI are charged to the profit and loss account as incurred.
- (8) Foreign Currency Transaction : Nil**
- (9) Investments :**
Investments are taken at Book Value.
- (10) Deferred Taxes**
Tax expenses comprising of current tax and deferred tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting for the year and reversal of timing difference of earlier years.

(11) Provisions and Contingencies

Provisions are recognized when the company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation.

12) Impairment of Assets

At each balance sheet date, the company assesses whether there is any indication that any asset may be impaired. If any such indication exists, the company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the profit and loss account to the extent the carrying amount exceeds the recoverable amount.

13) Earnings Per Share

The calculation of Earnings Per Share (EPS) as disclosed in the Balance Sheet Abstract has been made in accordance with the requirement of Accounting Standard (AS) -20 on Earnings Per Share issued by the Institute of Chartered Accountants of India.

Diluted Earning per share is the same as Basic Earning per share because there is no potential equity shares which would have dilutive effect on earning per shares to equity shareholders.

14) Segment Reporting

The Company is Authorized Dealer of Maruti Suzuki India Limited (MSIL) and hence, is engaged in the business of sale & service of MSIL vehicles. As the basic nature of sale of variants of vehicles is governed by the same set of risk & returns, these have been grouped as single segment as per Accounting Standard(AS-17) on segment reporting issued by the Institute of Chartered Accountants of India.

13) Contingent Liabilities

These liabilities are acknowledged as and when arises

SCHEDULE 18-NOTES TO ACCOUNTS

- 1) The loan/borrowings stated in schedule 3 are secured by:-
- Cash Credit** The Company has taken cash credit limit of Rs. 650 lacs from Punjab National Bank, Gur mandi Branch, Patiala against primary security of Hypothecation of stock of vehicles, book debts spares and all other stores on regular basis. Outstanding balance as on 31st March 2009 was of Rs 696.59 lacs.
 - Term Loan** The Company had taken secured term loan against primary security of hypothecation of vehicles. Outstanding balance as on 31st March 2009 was of Rs. 11.22 lacs

2) Particulars of opening and closing stock

Products	Opening Stock		Closing Stock	
	Nos.	Nos.	Nos.	Nos.
	As on 01.04.2008	As on 01.04.2007	As On 31.03.2009	As On 31.03.2008

Vehicle	302	202	304	302
---------	-----	-----	-----	-----

Spare parts – Number of items are on a very higher side, hence it is not feasible to report here.

3) Sales & Services

Products	2008-2009		2007-2008	
	Quantity Nos.	Value Rs (In lacs)	Quantity Nos.	Value Rs. (In lacs)
Vehicles	3082	8921.87	2955	8033.05
Accessories & Spares		655.25		488.32
Service Charges		250.62		190.89

4) Related Party Transactions

- Entities under common control - NIL
- Enterprises over which individuals related to Hira Automobiles Ltd are able to exercise significant influence: - M/S Pacific Finlease Pvt. Ltd.

S.No	Particulars	Amount (Rs. in Lacs)
1	Amount recoverable in Inter Corporate Deposit account as on 31.03.2009	9.54
2	Interest Recovered during the financial Year from the above party	1.67

- Enterprises over which individuals related to Hira Automobiles Ltd are able to exercise significant influence: - M/S Bajwa Arjun Property Developers Pvt. Ltd.

Sl.No	Particulars	Amount (Rs. in Lacs)
1	Amount recoverable in Inter Corporate Deposit account as on 31.03.2009	217.90
2.	Interest Recovered during the financial Year from the above party	29.96

- C) Advertisement and Publicity transactions amounting to Rs. 2.58 Lacs with entity named Rahul Sidhu Business Services in which directors have significant interest.

5. Payments to Auditors

Particulars	2008-09 Amount (in Rs.)	2007-08 Amount (in Rs.)
Statutory Audit	240000	240000
Other Audit Services/Certification	50000	NIL
Reimbursement of Expenses	25000	NIL

(6) Deferred Tax Liability as on 31.03.2009 has been calculated as under:-

Deferred Tax Liability Items as on 31.03.2009		
W.D.V. as per Companies Act, 1956 as on 31.03.2009	(A)	59959250.00
W.D.V. as per Income Tax Act, 1961 as on 31.03.2009	(B)	41715654.00
Timing Difference (A - B)		18243596.00
Deferred Tax Liability as on 31.03.2009 @ 30% + 10% Surcharge+2% Education Cess +1% SHE Cess	(a)	6200998.00
Deferred Tax Liability as on 01.04.2008	(b)	5567245.00
Deferred Tax Liability to be provided during the year (a - b)		633753.00
7) Statement of Earning Per Share	2008-09 Amount (in Rs.)	2007-08 Amount (in Rs.)

Net Profit After Tax	1782130	1290658
Nos of Shares	3265678	3265678
Earning per share of Rs.10/- each		
-Basic	0.55	0.38
-Dilute	0.55	0.38
(As per Note No 10)		

- 8) Figures of Previous year have been re-grouped and re classified wherever necessary, in order to conform to the current year's presentation.

As per our report of even date attached

For and on behalf of Board of Directors of the Company

For Dalbir & Associates
Chartered Accountants

RAHULINDER SINGH SIDHU
Chairman / Whole time Director

KULDEEP SINGH BHATTAL
Whole Time Director

Dalbir Singh
Prop.
M.NO 096320

S.P. Jindal
Manager Accounts

Place : Chandigarh
Date : 3.9.2009

CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2009

A. CASH FLOW FROM OPERATING ACTIVITIES	2008-2009	2008-2009	2007-2008	2007-2008
Net Profit before tax and extraordinary items		4138443		3043642
Adjustments for :				
Depreciation	3136574		3179503	
Preliminary Expenses	0	3136574	516354	3695857
Operating Profit after working Capital charges		<u>7275017</u>		<u>6739499</u>
Adjustment for:				
Loan & Advances	-72999		-2282685	
Trade & other receivables	4921318		1135677	
Inventories	-1149183		-34205340	
Trade payables	11812274		-13128713	
Provisions	5101638	20613048	-2325525	-50806586
Cash generated from operations		27888065		-44067087
Cash flow before extraordinary items				
Fringe Benefit Tax Current Financial Year	-690000		-572074	
Income tax for Current Financial Year	-1032560	-1722560	-1199350	-1771424
Net Cash Used in Operating activities		<u>26165505</u>		<u>-45838511</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase of fixed assets	-23846519		-9587832	
Sale of Fixed Assets	2931629		3537906	
Investments (Sales)	0		68684	
Net cash used in investing activities		<u>-20914890</u>		<u>-5981242</u>
C. CASH FLOW FROM FINANCING ACTIVITIES				
Equity Capital				
Proceeds from cash credit Limit	-283320		17246838	
Proceeds from borrowing (Short Term INF)	-1318576		33454608	
Net cash used in financing Activities		<u>-1601896</u>		<u>50701446</u>
Net increase/ decrease in cash and cash equivalents (A+B+C)		<u>3648719</u>		<u>-1118307</u>

Cash and Cash equivalents

Opening Balance	16217179	17335486
Closing Balance	19865898	16217179
Net increase in cash and cash equivalents	<u>3648719</u>	<u>-1118307</u>

As per our report of even date attached

For and on behalf of Board of Directors of the Company

For Dalbir & Associates
Chartered Accountants

RAHULINDER SINGH SIDHU
 Chairman / Whole time Director

KULDEEP SINGH BHATTAL
 Whole Time Director

Dalbir Singh
Prop.
M.NO 096320

S.P. Jindal
 Manager Accounts

Place : Chandigarh
 Date : 3.9.2009

BALANCE SHEET ABSTRACT

Balance Sheet Abstract and company's General Business Profile Required under part IV of the Companies Act, 1956

i. Registration Details

Registration No.

5	3		0	9	5	0	0
3	1		0	3		0	9

Balance Sheet Date

Date

Month

Year

ii Capital raised during the year (Amount in Rs. Thousands)

Public Issue

NIL

Right Issue

NIL

Bonus Issued

NIL

Private Placement

NIL

iii Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

Total Liabilities

156654

Total Assets

156654

Source of Funds

Paid up Capital

32657

Reserve & Surplus

12923

Secured Loans

104872

Unsecured Loans

NIL

Application of Funds

Net Fixed Assets

59959

Investments

1643

Net Current Assets

95052

Misc. Expenditure

00

iv Performance of Company (Amount in Rs. Thousands)

Turnover

996855

Total Expenditure

992717

(+) Profit (-) Loss Before Tax

4138

(+) Profit / (-) Loss after tax

1782

Earning per Share in Rs.

0.55

Dividend %

NIL

v **Generic name of Principal Product/ Services of Company (As per Monetary items)**

a) Item code No. (ITC Code)

NIL

Product Description

MARUTI SUZUKI DEALERSHIP

As per our report of even date attached

For and on behalf of Board of Directors of the Company

For Dalbir & Associates
Chartered Accountants

RAHULINDER SINGH SIDHU
Chairman / Whole time Director

KULDEEP SINGH BHATTAL
Whole Time Director

Dalbir Singh
Prop.
M.NO 096320.

S.P. Jindal
Manager Accounts

Place : Chandigarh

Date : 3.9.2009

HIRA AUTOMOBILES LIMITED
Regd. Office : SCO 348-349, Third Floor, Sector 34-A
Chandigarh

Attendance Slip

20th Annual General Meeting

Regd. Folio No. _____

I certify that I am a shareholder /proxy for the registered Shareholders of the Company. I hereby record my presence at the 20th ANNUAL GENERAL MEETIING of the Company to be held on Tuesday 29th September , 2009 at 11.00 A.M at SCO 348-349, Third Floor, Sector 34-A, Chandigarh.

Member's /Proxy's Name in
Block Letters

Member's / Proxy's Signature

Note:- Please fill and sign this attendance slip and hand over at the ENTRANCE OF THE MEETING HALL.

HIRA AUTOMOBILES LIMITED

Regd. Office : SCO 348-349, Third Floor, Sector 34-A
Chandigarh

FORM OF PROXY

I/We _____ Of _____
Being a _____
member (s) of Hira Automobiles Ltd. here by appoint _____
of _____ or
failing him _____ of _____ as my
/ our proxy to attend and vote for me/us on my/our behalf at the 20th Annual General Meeting of
the company to be held on Tuesday, 29th September, 2009 at 11.00 A.M at SCO 348-349, Third
Floor, Sector 34-A, Chandigarh and at adjournment thereof.

Signed this _____ day of _____ 2009.

Affix one Rupees Revenue Stamp

Signature

Note:- 1) The form to be effective, should be duly stamped, completed and signed across the stamp as per specimen signature registered with the company.

2) The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

3) A proxy can not speak or vote on a show of hands at the meeting.

HIRA AUTOMOBILES LIMITED

Regd. Office : SCO 348-349, Third Floor, Sector 34-A
Chandigarh

SUGGESTIONS

In case you have any suggestion for the betterment of your company please do write to us.

Suggestion _____

Name _____ Folio No./Client ID _____

Address _____

Pin Code _____