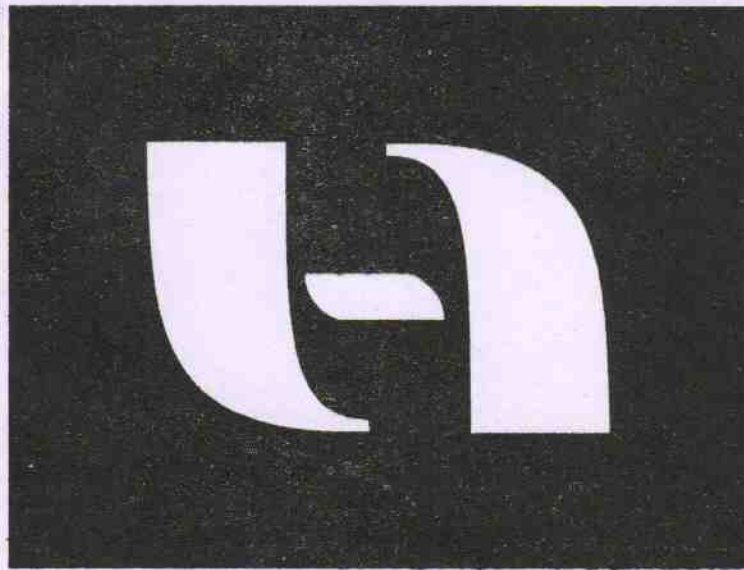




MARUTI  SUZUKI



HIRA AUTOMOBILES LTD.

ANNUAL REPORT

2011-12

BOARD OF DIRECTORS

S. Rahul Inder Singh Sidhu

Chairman

Mrs. Simran Bajwa

Whole Time Director

S. Kuldeep Singh Bhattal

Whole Time Director

S. Isher Singh

Director

Sh. Rajnish Sharma

Director

Sh. Ramesh Kumar

Director

Mrs. Neha Sidhu

Director

BANKERS

PUNJAB NATIONAL BANK

AUDITORS

RAHUL RAJPUT & ASSOCIATES

Chartered Accountants

336-B, BRS Nagar

Ludhiana

PRINCIPAL

MARUTI SUZUKI INDIA LIMITED
PALAM-GURGAON ROAD, GURGAON

REGISTERED OFFICE

REGD OFFICE : # 20, SECTOR 8-A, CHANDIGARH

SHOWROOMS & WORKSHOPS

SHOWROOM (SALES OUTLETS):-

1. Rajbaha Road, PATIALA
2. Bhai Complex, Malout Road, MUKTSAR
3. Patiala Rajpura Road, RAJPURA.
4. Muktsar Road, MALOUT
5. Radhaswamy Satsang Road, NABHA
6. Patiala Pehowa Road, Devigarh

WORKSHOPS:

1. 13. Factory Area, PATIALA.
2. Narwana Road, PATRAN (Patiala)
3. Bhai Complex, Malout Road, MUKTSAR
4. C-20, Focal Point, PATIALA.
5. Patiala Rajpura Road, RAJPURA
6. Muktsar Road, MALOUT
7. Radhaswamy Satsang Road, NABHA
8. Patiala Pehowa Road, Devigarh

Notice of Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting of the members of Hira Automobiles Limited, will be held on Saturday, the 29th day of September, 2012 at 11:00 A.M. at the Registered Office of the Company situated at # 20, Sector 8A, 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, 2012 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 Mr. 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 Mr. 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.

By Order of the Board
For Hira Automobiles Limited.

Place: Chandigarh

Date: 03.09.2012

(Rahul Inder Singh Sidhu)

Chairman

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 27th day of September, 2012 to 29th day of September, 2012 (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.

DIRECTORS' REPORT

To

The Members,

The Directors of your company have pleasure in presenting the 23rd Annual Report together with Audited Accounts of the company for the year ended 31st March, 2012.

FINANCIAL RESULTS

The financial results of the company are as under:

	(Rs. In Crores)	
	2011-12	2010-11
TURNOVER	215.72	197.41
OTHER INCOME	0.71	0.56
PROFIT BEFORE TAXATION	0.86	1.13
CURRENT TAX (Net of last year adjustment)	0.16	0.25
PROFIT AFTER CURRENT TAX	0.70	0.88
DEFERRED TAX LIABILITY	0.12	0.26
PROFIT AFTER DEFERRED TAX	0.58	0.62

1. REVIEW OF OPERATIONS

Your Company has achieved Sales & Other income of Rs. 216.43 Crores as compared to Rs.197.97 Crores during the previous year with a net profit of Rs.0.58 Crores as compared to Rs 0.62 Crores in the previous year.

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

The Company added Fixed assets amounting to Rs.328.83 lacs, which is mainly on account of addition of fixed assets in the dealership in building, vehicles, furniture and fixtures, computers and plant and machinery.

(ii) Working Assets:

The Net Current Assets as on 31st March, 2012 were Rs 2850.86 lacs as against Rs.2740.29 lacs in the previous year.

3. NEW SHOWROOM AND WORKSHOP

Your Company has expanded its network by opening one more new showroom and workshop at Devigarh, Patiala.

4. DIVIDEND :

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

5. PUBLIC DEPOSITS :

The company has not accepted any fresh deposits from the public under sections 58A and 58AA of the companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules,1975 during the Financial Year under review. There are no over due/unclaimed deposits.

6. 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. 2724.89 lacs.

7. 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.

8. 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.

9. DIRECTORS:

Mr Ramesh Kumar and Mr. Rajnish Sharma 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 and Mr. Nasib Chand, Director of the Company has expired.

10. LISTING:

The securities of the company are listed at Mumbai, Delhi, Ludhiana and Ahamdabad Stock Exchanges and the Listing Fees for the current period has been paid to Bombay Stock Exchange only.

11. AUDITORS :

M/s Mehta Sharma & Associates., Chartered Accountants, Ludhiana, statutory Auditor of the Company has resigned on 05.07.2012 and M/s Rahul Rajput & Associates, Chartered Accountants, Ludhiana have been appointed as Statutory Auditors by shareholders on 31.07.2012. They retire at ensuing annual general meeting and being eligible offer themselves for reappointment.

12. 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, 2012, 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, 2012 on a 'going concern' basis.
- 14. 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.
- 15. 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.
- 16. 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.
- 17. 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: 03.09.2012

(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. 2,75,34,400/-

To,
The Members,
Hira Automobiles Limited
20, Sector-8 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, 2012. 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 Twelve times on 30.04.2011,07.06.2011,08.06.2011, 13.06.2011,27.06.2011,24.08.2011,03.09.2011,31.10.2011,12.12.2011,31.01.2011,09.02.2012 and 25.03.2012, 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 28.09.2011 to 30.09.2011 (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 31.03.2011 was held on 30.09.2011 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. No extra ordinary general meeting was held 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.
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 has:
 - (i) 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) The company has not declared any dividend during the year and therefore company was not required to deposit any amount in a separate Bank Account.
 - (iii) The company 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) The company 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 accepted fresh deposits from the public under Section 58A of the Companies Act during the financial year. However, there is carried over of previous deposits and due compliances have been made.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year 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. However, the Company has given ICD of Rs.199.57 Lacs.
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. No 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 balance of security received from its employees during the year is Rs.9.79 Lacs(Net) and the same has been deposited 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 : 03.09.2012

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
10.	Register of Fixed Assets	

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, 2012.

1.	Annual Return(Form 20B)	U/s 159
2.	Balance Sheet(Form 23AC/23ACA)	U/s 220
3.	Form 62	U/s 58A
4.	Form 66	U/s 383A
5.	Form 18	U/s 147
6.	Form 32	U/s 260

Place: CHANDIGARH

Date : 03.09.2012

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 31.03.2012 is Seven, comprising of four promoter directors and three independent directors having diversified professional experience. Out of which Four 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 31.03.2012 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 Sidhu	Director	Promoter / Non Executive
5.	Sh. Rajnish Sharma	Director	Independent / Non Executive
6.	Sh. Ramesh Kumar	Director	Independent / Non Executive
7.	Sh. Isher Singh	Director	Independent / Non Executive

- Mr. Nasib Chand, Director of the Company has expired

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 12 times on the following dates.

30.04.2011	27.06.2011	12.12.2011
07.06.2011	24.08.2011	31.01.2011
08.06.2011	03.09.2011	09.02.2011
13.06.2011	31.10.2011	25.03.2012

The attendance of Directors at the meetings for the year 2011-12 and directorship in other companies, membership in other companies and Share holding as on 31-03-2012 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 31-03-2012 in HAL
1	Sh. Kuldeep Singh Bhattal	12	2	--	272100
2	Mrs. Simran Bajwa	12	2	--	265010
3	Sh. Rahul Inder Singh Sidhu	8	3	--	270000
4	Sh. Rajnish Sharma	4	2	--	---
5	Sh. Ramesh Kumar	4	-----	--	---
6	Mrs.Neha Sidhu	8	2	--	1000
7	Sh. Isher Singh	-----	-----	-----	---

The following Directors attended the last Annual General Meeting held on 30.09.2011

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

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 and their attendance is as under:

Name of Directors	Category	Designation	Attendance	Remarks
Smt. Simran Bajwa	Executive and Promotor	Member	5	
Sh. Rajnish Sharma	Non-Executive and Non Promoter	Member	5	
Sh. Ramesh Kumar	Non-Executive and Non Promoter	Chairman	5	

Shareholders/Investors Grievance Redressal Committee

During the financial year one meeting of Shareholders/Investors Grievance Committee was held to consider all the matters concerned with shareholders.

The details of members and their attendance is as under:

Name	Category	Designation	Nos. of meetings attended
Smt. Simran Bajwa	Executive and Promotor	Chairman	1
Sh. Rajnish Sharma	Non-Executive and Non Promoter	Member	1
Sh. Ramesh Kumar	Non-Executive and Non Promoter	Member	1

Remuneration of directors

There is no pecuniary relationship or transaction of the company with its independent directors. 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 31.03.2012 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

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 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
2008-2009	30.09.2009	11.00 A M	Regd. Office
2009-2010	30.09.2010	11.00 A M	Regd. Office
2010-2011	30.09.2011	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
30.09.2009	Yes
30.09.2010	Nil
30.09.2011	Nil

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 2011-12 has been paid to Bombay Stock Exchange only.

23rd Annual General Meeting

Date : 29.09.2012

Time : 11.00 AM

Venue : # 20, Sec 8-A, Chandigarh.

Financial Year 2011-12

Date of Book Closure 27-09-2012- 29-09-2012 (Both Days inclusive)

Distribution of share holding of the company as on 31.03.2012–Category wise

S.No.	Category	No. of Shares Held	%age of shareholders
1.	Promoter	2635710	95.72
2.	Indian Public	117730	4.28
Total		2753440	100.00

Distribution of share holding of the company as on 31.03.2012 value wise

Shareholding of Nominal value Rs	Shareholders		Shares	
	Number	%	Number	%
1 – 5000	132	63.16	50430	1.84
5001 – 10000	21	10.05	15200	0.55
10001 – 20000	42	20.09	43400	1.58
20001 – 30000	1	0.48	2200	0.08
30001 – 40000	1	0.48	3300	0.12
40001 – 50000	1	0.48	4200	0.15
50001 – 100000	0	0.00	0	0.00
100001 and above	11	5.26	2634710	95.68
Total	209	100.00	2753440	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 on stock exchange during the period under review.

ADDRESS FOR CORRESPONDENCE

Followings are addresses for correspondence:

REGISTERED OFFICE

Hira Automobiles Ltd.
20, Sector 8 A,
Chandigarh.

Showroom Locations:

Hira Automobiles Ltd.
Rajbaha Road,
Patiala.
Ph. No .0175-2209100

Hira Automobiles Ltd.
Malout Road,
Muktsar.
Ph .No 01633-262020

Hira Automobiles Ltd.
Village Bhadak ,
Rajpura.
Ph. No. 01762-244881.

Hira Automobiles Ltd.
Radha Swami Satsang Road,
Nabha.
Ph.No. 01765-505959

Hira Automobiles Ltd.
Muktsar Road,
Malout.
Ph. No.01637-263724

Hira Automobiles Ltd.
Patiala Pehowa Road,
Devigarh.
Ph. No.0175-2631152

BRIEF PROFILE OF DIRECTORS SEEKING REAPPOINTMENT/APPOINTMENT

Sr. No.	Name	Qualification	Occupation
1.	Sh. Rajnish Sharma	Graduate	Business
2.	Sh Ramesh Kumar	Graduate	Business

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 2012

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 : 03.09.2012

Simran Bajwa

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 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

A. **The Automobile Industry**

The year 2011-12 was a tough year for the automobile industry. The sales slid for many companies and the buying sentiments were low due to high inflation and fluctuations in the real estate market. The hikes in Petrol rates also saw a shift from the petrol to diesel vehicles. The industry was growing year on year and with the slowdown this year corrected the pace and the scenario was overall comfortable. Your company increased the turnover while the others de-grew. The market was maintained in-spite of all odds like the strike at principal's factory and delay in deliveries of diesel vehicles.

B. **Vision 2012-13**

The come-back in this FY is bound to happen. The correction that the market had to undergo last year will lead us to the growth path this year. The production of diesel vehicles is on the increase so we will be getting more of the hot selling models to sell this financial year. The advantage of the strike that the competition encashed LY will be countered by the regular supplies this year and they have lost their scene as the sales are being lost by them after the initial novelty factor. Maruti is planning to launch the new models which will help us to gain the market-share and increase volumes. This year being a pre-election year for the central government - sops to the public and economic reforms will enhance the buying mood of the customers.

C. **Segment-wise performance**

The Maruti Suzuki is manufacturing models which are sold across all market segments. Your company is dealing in all the models and the principals are proactive in their approach to gauge the market demand and produce vehicles as per the demand. So no segmentation has been done at our end.

D. **Risks and Concerns**

In spite of the few concerns the perceived growth mitigates them and the management does not see any risk to the business in the future.

E. **Internal Control System**

To keep a check on the working and performance of the company the system of audit and checks has been strengthened. Each department working is monitored and audits are carried out on a regular basis. The system of pre-audits and audits followed by an immediate action on the reports is and will help to keep a control on the workings. A surprise check team is also being raised to audit the systems and accounts of all outlets.

F. Human Resources

This is an important area of focus of the management. Steps are being taken to keep the employees motivated. The employer-employee relationship is very cordial as all the employees are working with concern for the company and the management keeps a concern for them. The further development of employees is being undertaken by making them responsible and accountable for their field of work. They are being sensitised to keep profitability of the company in mind while working for volumes and customer delight.

G. Marketing

Your company is working in tandem with the principals and adopting new techniques and methods to increase sales. The "back to basics" strategy is being adopted to remain in touch with the customers and build healthy relations with them for growth of business. The advertisements and promotional activities in the area of operations is being rationalised and being made more effective and result oriented.

H. Dealership Strategy

The growing competition and market-conditions will try to affect the margins in the car sales but the volume increase will take care of the same. As part of the on-going strategy, stress is being laid on increasing the profits from workshops and body-shops, used car business and allied businesses.

Compliance Certificate on Corporate Governance

To,
The Members
Hira Automobiles Ltd.

1. We have examined the compliance of Corporate Governance by Hira Automobiles Limited, as at 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.
2. The compliance 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.
3. 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.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Rahul Rajput And Associates
Firm Registration Number 023487N
(Chartered Accountants)

Rahul Rajput
(Proprietor)
Membership Number 504877

Place : Chandigarh
Date : September 03,2012

Auditor's Report on Accounts

To,
The Members of Hira Automobiles Limited

1. We have audited the attached Balance Sheet of Hira Automobiles Limited as at 31st March 2012, 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(as amended) issued by the central government of India in terms of sub section (4A) 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 ;
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - 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 sub-section (3c) of section 211 of the Companies Act,1956.
 - v) On the basis of written representations received from directors of the company as on 31st March, 2012 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March 2012, 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, 2012; 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.

For Rahul Rajput & Associates
(Chartered Accountants)
Registration No.023487N

CA . Rahul Rajput
(Proprietor)
Membership No. 504877

Place : Chandigarh
Date : 03-09-2012

Annexure To Auditors' Report

Annexure referred to in paragraph 3 of our report of even date

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets at Corporate Office and in the process of maintaining at outlets.
 - (b) We have been informed that the fixed assets of the company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - (c) In terms of the information and explanation given to us the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that no substantial part of fixed assets have been disposed off during year and hence our comments regarding the effect on going concern are not required.
2. (a) As informed to us, physical verification of inventory of the company has been conducted by the management at reasonable intervals. In our opinion, the Verification is reasonable.
 - (b) In our opinion and according to the explanations given to us, the procedures of Physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and according to the explanations given to us, the Company is maintaining proper records of inventory. We have been informed that no material discrepancies have been noticed on physical verification as compared to records.
3. (a) According to the information and explanation given to us ,the Company has advanced inter corporate deposits to three companies covered in the register maintain under section 301 of the Companies Act,1956. Detail of amount of transactions and balance outstanding at year end is as under.

i)	Name of the Company	:	Bajwa Arjun Property Developers (p) Ltd.
	Debit Summation	:	2.81 Lacs
	Credit Summation	:	NIL
	Balance Outstanding	:	14.31 Lacs
ii)	Name of the Company	:	Pacific Finlease (p) Ltd.
	Debit Summation	:	1.24 Lacs
	Credit Summation	:	NIL
	Balance Outstanding	:	12.70 Lacs
iii)	Name of the Company	:	Rahul Sidhu Enterprises (p) Ltd.
	Debit Summation	:	21.25 Lacs
	Credit Summation	:	21.15 Lacs
	Balance Outstanding	:	172.56 Lacs
 - (b) According to the information and explanation given to us ,the rate of interest and the other terms and condition of loan given are not prima facie prejudicial to the interest of the Company.
 - (c) There is no stipulation as to the time period for recovery of principal amount of unsecured loan given.

- (d) Further, as there is no stipulation as to the time period for recovery of principal amount of unsecured loan given, we are unable to comment on the overdue amount in respect of the said loan.
 - (e) During the year the Company has not taken any loan, secured or unsecured from Parties covered in the Register maintained u/s 301 of the Companies Act, 1956.
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, no major weakness has been noticed in the internal control system in respect of these areas.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangement referred to in section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section and
- (b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
6. According to the information and explanation given to us, the Company has accepted deposit from public and due compliances have been made. Advances from customer for sale of vehicles and against sale promotion schemes run by the Company to promote its sale are received during the period of audit.
7. In our opinion the internal audit system of the company is commensurate with it's size and nature of 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 manufacturing Company.
9. (a) According to the information and explanations given to us, the company is generally regular in depositing all undisputed statutory dues including provident fund, investor education and protection fund , employees state insurance ,income tax, sales tax, wealth tax , custom duty, excise duty, cess and any other statutory due with appropriate authority during the year.
- (b) According to the information and explanations given to us, no undisputed amount payables in respect of provident fund, investor education and protection fund , employees state insurance ,income tax, sales tax, wealth tax , custom duty, excise duty, cess and any other undisputed statutory dues were outstanding at the year end ,for period of more than six months from the date they become payables.
- (c) According to the information and explanations given to us, there are no disputed amount payables in respect of provident fund, investor education and protection fund , employees state insurance ,income tax, sales tax, wealth tax, custom duty, excise duty, cess by the Company

10. The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in current and immediately preceding financial year .
11. As informed to us, the company has not defaulted in repayment of dues to financial institutions or banks.
12. As informed to us ,the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion the company is not a chit-fund, nidhi or mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order ,2003 (as amended) are not applicable to the Company.
14. In our opinion the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) order ,2003 (as amended) are not applicable to the Company.
15. As informed to us, the company has not given any guarantee for loans, taken by others from bank or financial institutions, the terms and conditions whereof are prima-facie prejudicial to the interest of the Company.
16. As informed to us, the proceeds of the loans taken by the company are applied for the purpose for which the loans were obtained.
17. The company has not maintained any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act,1956.
18. The company has not issued debenture, therefore the company has not created any security on debentures.
19. The company has not raised any money from public issues during the year.
20. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud by the company has been noticed or reported during the course of our audit.

For Rahul Rajput & Associates
(Chartered Accountants)
Registration No.023487N

CA . Rahul Rajput
(Proprietor)
Membership No. 504877

Place : Chandigarh
Date : 03-09-2012

Balance Sheet

as at March 31, 2012

		In Rupees	
Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I EQUITY AND LIABILITIES			
(1) Shareholder funds			
(a) Share capital	2	27,534,400.00	27,534,400.00
(b) Reserves and Surplus	3	32,553,217.00	28,553,586.00
(2) Non-current liabilities			
(a) Long term borrowings	4	23,264,236.00	18,233,301.00
(b) Deferred tax liabilities (net)	5	12,249,671.00	11,055,468.00
(c) Other long-term liabilities	6	113,717,066.00	104,732,161.00
(d) Long-term provisions	7	6,495,762.00	4,307,827.00
(3) Current liabilities			
(a) Short term Borrowings	8	214,410,698.00	201,464,250.00
(b) Trade payables	9	85,797,946.00	11,685,298.00
(c) Other current liabilities	10	51,697,980.00	36,444,280.00
(d) Short term provisions	11	5,428,560.00	4,508,964.00
Total		573,149,536.00	448,519,535.00
ASSETS			
(1) Non-Current assets			
(a) Fixed assets			
(i) Tangible assets	12	121,661,114.00	98,066,928.00
(ii) Intangible assets	13	-	-
(b) Non-current investments	14	1,642,516.00	1,642,516.00
(c) Long-term loans and advances	15	23,059,936.00	22,142,563.00
(2) Current assets			
(a) Inventories	16	244,864,210.00	186,137,489.00
(b) Trade Receivables	17	99,665,141.00	49,669,904.00
(c) Cash and Cash equivalents	18	49,653,503.00	67,842,589.00
(d) Short-term Loans and Advances	19	31,962,986.00	22,152,734.00
(e) Other Current assets	20	640,130.00	864,812.00
Total		573,149,536.00	448,519,535.00

Significant Accounting Policies

This is the Balance Sheet referred to in our report of even date

The notes referred to above form an integral part of these financial Statements

For Rahul Rajput And Associates

Firm Registration Number 023487N

(Chartered Accountants)

Rahul Rajput

(Proprietor)

Membership Number 504877

Place : Chandigarh

Date : September 03, 2012

For and on Behalf of the Board

Rahul Inder Singh Sidhu

(Chairman and Whole Time Director)

Simran Bajwa

(Wholetime Director)

Atul Vashishtha

(Chief Manager Accounts)

Statement of Profit & Loss
For the Year Ended March 31, 2012

Particulars	Note No.	As at March 31,2012	As at March 31,2011
I Revenue from operations	21	2,157,223,115.00	1,974,168,483.00
II Other income	22	7,052,304.00	5,554,331.00
III Total Revenue (I+II)		2,164,275,419.00	1,979,722,819.00
IV Expenses:			
a Cost of Material Consumed	23	12,039,410.00	8,720,070.00
b Purchase of Stock-in-Trade	24	2,046,774,785.00	1,887,673,093.00
c Changes in Inventories of Finished Goods	25	(58,726,721.00)	(53,626,600.00)
d Employee Benefits Expenses	26	79,146,277.00	68,086,439.00
e Finance Costs	27	25,805,773.00	13,916,529.00
f Depreciation and Amortization expense	12	6,502,996.00	4,932,358.00
g Other Expenses	28	44,071,721.00	38,648,612.00
Total Expenses		2,155,614,241.00	1,968,350,501.00
V Profit before tax (III-IV)		8,661,178.00	11,372,318.00
VI Tax expense			
(a) Current tax		1,650,000.00	2,538,498.00
(b) Deferred tax		1,194,203.00	2,605,509.00
VII Profit for the Year(V-VI)		5,816,975.00	6,228,311.00
VIII Earnings per Equity Share(in Rupees)			
Basic		2.11	2.26
Diluted		2.11	2.26

Significant Accounting Policies**1**

This is the Balance Sheet referred to in our report of even date

The notes referred to above form an integral part of these financial Statements

For Rahul Rajput And Associates

Firm Registration Number 023487N

(Chartered Accountants)

Rahul Rajput

(Proprietor)

Membership Number 504877

Place : Chandigarh

Date : September 03,2012

For and on Behalf of the Board

Rahul Inder Singh Sidhu

(Chairman and Whole Time Director)

Simran Bajwa

(Wholetime Director)

Atul Vashishtha

(Chief Manager Accounts)

Cash Flow Statement

For the Year Ended March 31, 2012

Particulars	As at March 31, 2012	As at March 31, 2011
A. Cash Flow from Operating Activities:		
Net Profit before Tax	8,661,178.00	11,372,318.00
Adjustment for		
Depreciation	6,502,996.00	4,932,358.00
Interest expenses	25,805,773.00	13,916,529.00
Operating Profit/Loss before Working Capital Changes	40,969,947.00	30,221,205.00
Adjustment for		
(Increase)/Decrease in Trade & Other receivables	(49,995,237.00)	(16,851,896.00)
(Increase)/Decrease in Inventor	(58,726,721.00)	(53,626,600.00)
Increase/(Decrease) in Trade Payables & other provisions	92,473,879.00	(21,978,631.00)
(Increase)/Decrease in Other Loans & Advances	(9,585,570.00)	(11,839,991.00)
Cash generated from operations	15,136,298.00	(74,075,913.00)
Taxes Paid	(1,650,000.00)	(2,538,498.00)
Previous Year Taxes (Net)	(1,817,344.00)	0.00
Net Cash from Operating Activities (A)	11,668,954.00	(76,614,411.00)
B. Cash Flow from Investing Activities		
(Purchase) of Fixed/Capital Expenditure	(32,883,618.00)	(16,184,353.00)
Sale of Fixed Assets	2,786,436.00	0.00
Sale(Purchase) of Investment	(917,373.00)	0.00
Net Cash used in Investing Activities (B)	(31,014,555.00)	(16,184,353.00)
C. Cash Flow from Finance Activities		
Proceeds from Long Term Borrowing (Net)	13,133,840.00	82,970,733.00
Secured Loan	12,946,448.00	0.00
Unsecured Loan	882,000.00	18,233,301.00
Interest paid	(25,805,773.00)	(13,916,529.00)
Net Cash from Financing Activities (C)	1,156,515.00	87,287,505.00
Net increase in Cash and Equivalents (A+B+C)	(18,189,086.00)	(5,511,259.00)
Opening Balance of Cash and Cash Equivalents	67,842,589.00	73,353,848.00
Closing Balance of Cash and Cash Equivalents	49,653,503.00	67,842,589.00

Note

- Figures in brackets indicate cash outflow
- The above Cash Flow Statement has been prepared under the indirect method set out in AS 3-Cash Flow Statement as prescribed by Companies (Accounting Standards) Rules, 2006

For Rahul Rajput And Associates

Firm Registration Number 023487N

(Chartered Accountants)

Rahul Rajput

(Proprietor)

Membership Number 504877

Place : Chandigarh

Date : September 03,2012

For and on Behalf of the Board

Rahul Inder Singh Sidhu

(Chairman and Whole Time Director)

Simran Bajwa

(Wholetime Director)

Atul Vashishtha

(Chief Manager Accounts)

Significant Accounting Policies and Notes to Accounts

1. Significant Accounting Policies

A) Accounting Convention

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.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

B) Revenue Recognition

(i) Sale of products is recognized when the products are supplied in accordance with the terms of sale and recorded net of trade discounts and Sales Tax.

(ii) Service Income is accounted for as and when vehicles are serviced in accordance with the terms of service and recorded net of discount.

(iii) Interest income is recognized on accrual basis.

C) Tangible Assets and Intangible Assets

Tangible Assets and Intangible 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.

Depreciation is provided using the Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

D) Borrowing Costs

Borrowing Costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

E) Inventories

Inventories are valued At Cost or Net Realizable value, whichever is lower. The cost is ascertained on Average basis except vehicles where cost is ascertained on specific cost basis.

F) Employee Retirement Benefits

Contribution to defined contribution schemes such as Provident Fund and ESI are charged to the profit and loss account as incurred.

G) Foreign Currency Transaction

The Company does not deal with Foreign Currency, hence AS-11 "Effect of changes in Foreign Exchanges issued by the Institute of Chartered Accountants of India is not applicable.

H) Cash Flow Statements

Cash Flow Statements has been prepared following the indirect method set out in the Accounting Standard -3 on "Cash Statements" issued by the Institute of Chartered Accountants of India.

I) Taxes on Income

- (i) Income tax expenses for the period comprise of Current Tax and Deferred Tax.
- (ii) Current Tax is the amount of tax payable on the taxable income for the year determined in accordance with the provision of the Income Tax Act, 1961.
- (iii) Deferred Tax is recognized, on the timing differences, being the difference between accounting income and taxable income, which originates in one period and are capable of reversal in one or more subsequent accounting periods in accordance with the provisions of Accounting Standard -22 on "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India. Deferred Tax Asset in respect of brought forward losses is recognized only if there is virtually certainly that there will be sufficient future taxable income against which such asset can be realized.

J) Provisions and Contingent liabilities

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.

K) 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 exceed its recoverable amount, an impairment loss is recognized in the profit and loss account to the extent the carrying amount exceeds the recoverable amount.

L) 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.

M) 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.

As per our report of even date

For Rahul Rajput And Associates

For and on Behalf of the Board

Firm Registration Number 023487N

(Chartered Accountants)

Rahul Inder Singh Sidhu

(Chairman and Whole Time Director)

Rahul Rajput

Simran Bajwa

(Proprietor)

(Wholetime Director)

Membership Number 504877

Place : Chandigarh

Atul Vashishtha

Date : September 03,2012

(Chief Manager Accounts)

Notes to Accounts

2 SHARE CAPITAL

	As at March 31, 2012	As at March 31, 2011
(1) AUTHORISED:		
6000000 Equity shares of Rs. 10/- each	60,000,000.00	60,000,000.00
	60,000,000.00	60,000,000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
Shares at the beginning of the accounting period		
2753440 Equity shares of Rs. 10/- each	27,534,400.00	27,534,400.00
Additions during the year	-	-
Shares outstanding at the end of year	27,534,400.00	27,534,400.00
Total	27,534,400.00	27,534,400.00

(a) Rights, Preferences and Restrictions Attached to shares

Equity Shares: The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining of the Company, after distribution of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

(b) Detail of Shares held by Shareholders holding more than 5% of the Aggregate Shares in the Company

Name of Shareholders	No. of Shares	Shareholding as at March 31, 2012
Rajinder Kaur Bhattal	826000	30.00%
Kuldeep Singh Bhattal	272100	9.88%
Rahul Sidhu	270000	9.81%
Simran Bajwa	265010	9.62%
Manjeet Kaur Sangha	838200	30.44%

3 RESERVES AND SURPLUS

	As at March 31, 2012	As at March 31, 2011
General reserve		
at the beginning of the accounting period	7,236,750.00	7,236,750.00
additions during the year	-	-
at the end of the accounting period	7,236,750.00	7,236,750.00
Surplus in Statement of Profit and Loss		
at the beginning of the accounting period	21,316,836.00	15,088,525.00
additions during the year	5,816,975.00	6,228,311.00
(balance in statement of profit & loss a/c)		
prior period expenses written off	1,817,344.00	-
transfer to/from reserves		
at the end of the accounting period	25,316,467.00	21,316,836.00
Total	32,553,217.00	28,553,586.00

4 LONG TERM BORROWINGS

	As at March 31, 2012	As at March 31, 2011
SECURED		
Term loan from HDFC Bank Ltd. secured against (Secured against hyp. of car and guaranteed by the directors of the co.)	4,148,935.00	-
UNSECURED		
Loans from directors	-	-
Loans from shareholders and public	19,115,301.00	18,233,301.00
Total	23,264,236.00	18,233,301.00

5 DEFERRED TAX LIABILITIES (NET)		
	As at March 31,2012	As at March 31,2011
Deferred tax liabilities	12,249,671.00	11,055,468.00
Total	12,249,671.00	11,055,468.00
6 OTHER LONG TERM LIABILITIES		
	As at March 31,2012	As at March 31,2011
Sales promotion scheme- Customer advances	109,922,413.00	101,347,258.00
Security from Employees	3,794,653.00	3,384,903.00
Total	113,717,066.00	104,732,161.00
7 LONG TERM PROVISIONS		
	As at March 31,2012	As at March 31,2011
Gratuity provision	6,495,762.00	4,307,827.00
Total	6,495,762.00	4,307,827.00
8 SHORT TERM BORROWINGS		
	As at March 31,2012	As at March 31,2011
Secured loans from banks		
Punjab National Bank		
(secured against hypothecation of stock and book-debts)		
Gur Mandi Patiala	107,978,789.00	128,338,618.00
Gagan Chowk Rajpura	18,590,207.00	18,790,314.00
New Grain Market Muktsar and Malout	8,374,487.00	4,061,358.00
Overdraft Limit against FDR	5,009,573.00	-
Axis Bank-Inventory funding	74,457,642.00	50,273,960.00
(secured against hypothecation of stock and book-debts)		
Total	214,410,698.00	201,464,250.00
9 TRADE PAYABLES		
	As at March 31,2012	As at March 31,2011
Sundry Creditors	16,604,061.00	6,201,161.00
Advance from Parties-Interest free	69,193,885.00	5,484,137.00
Total	85,797,946.00	11,685,298.00
10 OTHER CURRENT LIABILITIES		
	As at March 31,2012	As at March 31,2011
Current maturities of long term debts	1,225,019.00	581,884.00
Interest accrued and due on borrowings	308,374.00	-
Value added tax and CST	45,327,596.00	29,114,852.00
TDS payable	1,282,303.00	1,135,279.00
Current year taxes payable(net of advance tax)	-	2,700,000.00
Other payables	3,554,688.00	2,912,265.00
Total	51,697,980.00	36,444,280.00
11 SHORT TERM PROVISIONS		
	As at March 31,2012	As at March 31,2011
(a) Provisions for employee benefits	5,428,560.00	4,508,964.00
Total	5,428,560.00	4,508,964.00

12 TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2011	Additions	Disposals/ Adjustments	As at March 31, 2012	As at April 1, 2011	For the Year	Disposals/ Adjustments	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Freehold land	5,778,780.00	-	-	5,778,780.00	-	-	-	-	5,778,780.00	5,778,780.00
Godown building	54,978,891.00	5,834,190.00	1,141,730.00	59,671,351.00	9,651,480.00	1,472,568.00	1,776.00	11,122,272.00	48,549,079.00	45,327,411.00
Plant and equipments	28,086,764.00	5,955,560.00	-	34,042,324.00	6,029,937.00	1,548,227.00	-	7,578,164.00	26,464,160.00	22,056,827.00
Furniture and fixture	8,611,022.00	5,559,308.00	11,848.00	14,158,482.00	2,484,238.00	781,226.00	399.00	3,265,065.00	10,893,417.00	6,126,784.00
Vehicles (cars)	21,595,017.00	14,921,120.00	1,632,858.00	34,883,279.00	3,762,980.00	2,473,536.00	20,501.00	6,216,015.00	28,667,264.00	17,832,037.00
Computers	1,200,100.00	613,440.00	-	1,813,540.00	255,011.00	250,115.00	-	505,126.00	1,308,414.00	945,089.00
Total	120,894,383.00	32,883,618.00	2,786,436.00	150,347,436.00	22,183,646.00	6,525,672.00	22,676.00	28,686,642.00	121,661,114.00	98,066,928.00
PREVIOUS YEAR	112,894,383.00	16,147,512.00	8,791,321.00	120,250,574.00	26,079,441.00	4,932,358.00	8,828,154.00	22,183,645.00	98,066,929.00	86,814,933.00

13 INTANGIBLE ASSETS

14 NON CURRENT INVESTMENT:

	As at March 31,2012	As at March 31,2011
Investment in Shares	1,111,200.00	1,111,200.00
Investment in Mutual Funds	531,316.00	531,316.00
Total	1,642,516.00	1,642,516.00

15 LONG TERM LOANS AND ADVANCES::

	As at March 31,2012	As at March 31,2011
Security Deposits (Unsecured considered good unless Otherwise Stated)	3,102,517.00	2,600,000.00
Intercorporate Deposits	19,957,419.00	19,542,563.00
Total	23,059,936.00	22,142,563.00

16 INVENTORIES:

	As at March 31,2012	As at March 31,2011
(As taken, valued & certified by the management)		
Stock in Trade (in respect of goods acquired for trading)	214,925,196.00	164,700,076.00
Stores, Spares & Loose tools	29,939,014.00	21,437,413.00
Total	244,864,210.00	186,137,489.00

17 TRADE RECEIVABLES:

	As at March 31,2012	As at March 31,2011
(unsecured considered good unless otherwise stated)		
(1)Debts outstanding for a period exceeding six months from the date they are due	4,897,947.00	888,581.00
(2)Other debts	94,767,194.00	48,781,323.00
Total	99,665,141.00	49,669,904.00

18 CASH & CASH EQUIVALENTS :

	As at March 31,2012	As at March 31,2011
(a) Balance with Banks		
Fixed deposits		
Earmarked balances with banks held as margin money against borrowings, and other commitments.	10,740,714.00	10,052,556.00
Others	6,187,774.00	8,857,202.00
Current accounts:	22,918,617.00	41,656,129.00
(b) Cheques, Draft on Hand		
Cash in hand	9,806,398.00	7,276,702.00
Total	49,653,503.00	67,842,589.00

19 SHORT TERM LOANS & ADVANCES:

	As at March 31,2012	As at March 31,2011
(Unsecured considered good unless otherwise stated) advances recoverable in cash or in kind for the value to be received		
(1)Advance to parties	27,536,511.00	15,710,358.00
(2) Receivable from revenue authorities	1,197,579.00	6,321,983.00
(3)Current years taxes recoverable(net of liability)	946,921.00	120,393.00
(4) Other advances	2,281,975.00	-
Total	31,962,986.00	22,152,734.00

20 OTHER CURRENT ASSETS:

	As at March 31,2012	As at March 31,2011
Prepaid Expenses	640,130.00	864,812.00
Total	640,130.00	864,812.00

21 REVENUE FROM OPERATIONS

	As at March 31,2012	As at March 31,2011
Sale of products	2,056,355,963.00	1,898,418,568.00
Sale of services	50,513,228.00	47,590,987.00
Other operating revenues	50,353,924.00	28,158,933.00
	2,157,223,115.00	1,974,168,488.00
Less: Excise duty	-	-
Total	2,157,223,115.00	1,974,168,488.00

22 OTHER INCOME

	As at March 31,2012	As at March 31,2011
Interest income	4,838,968.00	4,791,470.00
Other Non-operating income	2,213,336.00	762,861.00
Total	7,052,304.00	5,554,331.00

23 COST OF MATERIAL CONSUMED

	As at March 31,2012	As at March 31,2011
Purchases Raw-Materials and Packing Materials	12,039,410.00	8,720,070.00
Add: Opening balance of stock	-	-
	12,039,410.00	8,720,070.00
Less: Closing balance of stock	-	-
Total	12,039,410.00	8,720,070.00

24 PURCHASE OF STOCK IN TRADE

	As at March 31,2012	As at March 31,2011
Purchases of Traded goods	2,046,774,785.00	1,887,673,093.00
Total	2,046,774,785.00	1,887,673,093.00

25 CHANGES IN INVENTORIES

	As at March 31,2012	As at March 31,2011
Finished Goods		
at the beginning of the accounting period	-	-
at the end of the accounting period	-	-
Stock-in-Trade		
at the beginning of the accounting period	186,137,489.00	132,510,889.00
at the end of the accounting period	244,864,210.00	186,137,489.00
Total	(58,726,721.00)	(53,626,600.00)

26 EMPLOYEE BENEFIT EXPENSES

	As at March 31,2012	As at March 31,2011
Salary and Wages	49,194,969.00	45,168,424.00
Incentives	12,173,431.00	10,972,252.00
Contribution to Provident fund	2,375,453.00	1,943,071.00
Contribution to Employees state Insurance fund	876,709.00	788,877.00
Workers and Staff Welfare	1,743,083.00	1,575,881.00
HRA Expenses	4,869,346.00	2,738,049.00
Gratuity Expenses	2,187,935.00	1,560,410.00
Bonus	4,190,956.00	2,224,221.00
Employees Training and Uniform expenses	1,534,395.00	1,115,254.00
Total	79,146,277.00	68,086,439.00

27 FINANCE COSTS

	As at March 31,2012	As at March 31,2011
Interest Expense		
Interest to Banks	14,071,146.00	5,468,451.00
Interest on Unsecured loans	1,050,000.00	869,016.00
Interest to Customers	12,108.00	39,865.00
Interest to MSIL	6,869,453.00	5,057,419.00
Interest to Bank on Vehicle loan	610,009.00	108,366.00
Interest on TDS & Other Taxes	19,801.00	9,960.00
Bank Charges	3,173,256.00	2,363,452.00
Total	25,805,773.00	13,916,529.00

28 OTHER EXPENSES

	As at March 31,2012	As at March 31,2011
Accessories Expenses	80,304.00	84,471.00
Festival Expenses	341,918.00	308,180.00
Donation	5,570.00	103,442.00
Freight Inward	279,732.00	328,524.00
Power & Fuel	5,455,614.00	4,617,202.00
Software Usage Charges	784,670.00	679,103.00
Entertainment Exp.	313,447.00	-
Rates & Taxes	1,195,193.00	1,283,159.00
General Expenses	559,385.00	391,071.00
Godown Rent	420,000.00	420,000.00
Insurance	1,324,198.00	1,112,474.00
Local Conveyance	2,108,534.00	2,560,415.00
Legal expenses	369,495.00	528,131.00
Misc. Expenses	5,637.00	22,992.00
News Paper & Periodicals	48,192.00	37,643.00
Outside Labour Expenses	3,046,863.00	2,841,262.00
Payment to the Auditors	350,000.00	330,000.00
Postage & Courier Expenses	205,571.00	232,997.00
Professional Charges	870,000.00	540,000.00
Printing & Stationery	2,192,173.00	1,388,063.00
Rent	1,766,750.00	727,125.00
Repair to Buildings	1,993,174.00	1,497,783.00
MDS Expenses	186,547.00	260,405.00

Telephone Expenses	2,253,074.00	2,342,712.00
Workshop Expenses	2,104,604.00	1,662,724.00
Vehicle Running Expenses	886,076.00	730,239.00
Other expenses	732,610.00	1,046,426.00
Advertisement Expenses.	88,281.00	422,375.00
Customer welfare	1,271,254.00	1,043,200.00
Demo Expenses & PDI Expenses	2,560,529.00	878,905.00
Sales Promotion	6,770,069.00	7,072,189.00
Sale Commission & Incentives	216,469.00	272,027.00
Pool Cancellation and lifting charges	741,553.00	88,251.00
Marketing Staff Tour expenses	2,544,235.00	2,795,122.00
Total	44,071,721.00	38,648,612.00

HIRA AUTOMOBILES LIMITED

Regd. Office : # 20, Sector 8 A
Chandigarh

Attendance Slip**23rd 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 23rd ANNUAL GENERAL MEETIING of the Company to be held on Saturday 29th September, 2012 at 11.00 A.M at # 20, Sector 8-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: # 20, Sector 8 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 23rd Annual General Meeting of the
 company to be held on Saturday, 29th September, 2012 at 11.00 A.M at # 20, Sector 8-A,
 Chandigarh and at adjournment thereof.

Signed this _____ day of _____ 2012.

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 : # 20, Sector 8 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 _____