



HIRA AUTOMOBILES LIMITED

Registered Office- # 0598, Sector 18B, Chandigarh, 160018, CIN-L50101CH1989PLC009500

Email: hiraaccounts@gmail.com, website: www.hiraautomobiles.com,

Telephone: 0175-2209100/101/102

07.09.2019

To
Listing Department,
BSE LIMITED,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai

COMPANY NO. 531743

SUB: ANNUAL REPORT FOR THE FINANCIAL YEAR 2018-19

Sir,

Please find enclosed herewith a copy of annual report pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015.

Please take the same in your records.

Thanking You

Yours faithfully,

For **HIRA AUTOMOBILES LIMITED**


RAHULINDER SINGH SIDHU

MANAGING DIRECTOR

DIN-00447452

HIRA AUTOMOBILES LIMITED

Registered Office- # 0598, Sector 18B, Chandigarh, 160018, CIN-L50101CH1989PLC009500

Email: hiraaccounts@gmail.com, website: www.hiraautomobiles.com,

Telephone: 0175-2209100/101/102

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Company will be held on Monday, 30th day of September, 2019 at 05:00 p.m. at the registered office of the company situated at # 0598, Sector 18B, Chandigarh, 160018 to transact the following business,

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Rahulinder Singh Sidhu who retires by rotation and being eligible, offers herself for reappointment.

3. RATIFICATION OF APPOINTMENT OF STATUTORY AUDITORS AND TO FIX THEIR REMUNERATION

And to consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and other applicable provisions of the Act, if any and the Rules framed there under, as amended from time to time, appointment of M/s. Mohan Juneja & Co., Chartered Accountants, Patiala, Punjab (Firm Registration No. 020488N) who was appointed as Statutory Auditors of the Company to hold office from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, be and is hereby ratified.”

SPECIAL BUSINESS

4. APPOINTMENT OF MR. GAGANDEEP SINGH AS AN INDEPENDENT DIRECTOR

And in this regard to consider and if thought fit, to pass with or without modification (s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149,150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Gagandeep Singh (DIN- 08316794) who was appointed as additional Director of the Company on **30th December, 2018** and whose term expires at this annual general meeting be and is hereby appointed as an Independent Director of the Company for a period of Five years i.e. up to **29th December, 2023.**”

5. REAPPOINTMENT OF SMT. RUPINDER KAUR AS AN INDEPENDENT DIRECTOR

To consider and if thought fit, to pass with or without modification (s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under as read with Schedule IV to the Act, as amended

from time to time, Smt. Rupinder Kaur (DIN-06403845), already an Independent non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company for a second term of five years with effect from **September 30, 2019 up to September 29, 2024.**"

6. REAPPOINTMENT OF SMT. RAJBIR KAUR AS AN INDEPENDENT DIRECTOR

To consider and if thought fit, to pass with or without modification (s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under as read with Schedule IV to the Act, as amended from time to time, Smt. Rajbir Kaur (DIN-06397998), already an Independent non-executive Director of the Company,, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company for a second term of five years with effect from **September 30, 2019 up to September 29, 2024.**"

By order of the Board
For **HIRA AUTOMOBILES LIMITED**

RAHULINDER SINGH SIDHU
CHAIRMAN AND MANAGING DIRECTOR
DIN-00447452

DATE: 30.05.2019

PLACE: CHANDIGARH

NOTES

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 28th day of September, 2019 to 30th day of September, 2019 (both days inclusive).

3. The Company has appointed Mr. Ravinder Kumar, Company Secretary in Practice as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and to declare results.

4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing and Disclosure Requirements) Regulations, 2015., the Company is pleased to provide members facility to

exercise their votes by electronic means and the business may be transacted through e-voting as per time schedule and as per instructions annexed with the notice.

5. Members are requested to register their e-Mail id with the company or its Registrar or their depository participant to enable the company to send the notices and other reports through email.

6. The Scrutinizer shall within a period of two working days from the conclusion of e-voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The results shall be declared within two working days from the conclusion of the AGM. The results declared along with the report of Scrutinizer shall be placed on the Company's website and the website of CDSL and communicated to the stock exchanges.

7. Explanatory Statement under Section 102 of The Companies Act, 2013 is enclosed herewith.

8. Details of Directors seeking re-appointment at the forthcoming Annual General Meeting as required under Secretarial Standards-2 on General Meetings and in pursuance of Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is given as an attachment to the notice.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4- The Board of Directors has appointed Mr. Gagandeep Singh as an additional Director in Independent Category to broad base the Board of Directors of the Company on 30.12.2018. He holds office up to the date of ensuing annual general meeting. It is proposed to appoint him for a period of five years. The consent of the Members by way of '**Ordinary Resolution**' is required for above purpose and therefore this resolution is placed before members. None of the Directors and KMP and/or their relatives is concerned or interested, financially or otherwise in this resolution except Mr. Gagandeep Singh, being the appointee.

ITEM NO. 5- Smt. Rupinder Kaur was appointed as an Independent non-executive Director of the Company by members on 30.09.2014 and her term ends on ensuing annual general meeting. It is proposed to reappoint her as an Independent Director of the Company for a second term of five years with effect from **September 30, 2019 up to September 29, 2024**. The consent of the Members by way of '**Special Resolution**' is required for above purpose and therefore this resolution is placed before members. None of the Directors and KMP and/or their relatives is concerned or interested, financially or otherwise in this resolution except Smt. Rupinder Kaur, being the appointee.

ITEM NO. 6- Smt. Rajbir Kaur was appointed as an Independent non-executive Director of the Company by members on 30.09.2014 and her term ends on ensuing annual general meeting. It is proposed to reappoint her as an Independent Director of the Company for a second term of five years with effect from **September 30, 2019 up to September 29, 2024**. The consent of the Members by way of '**Special Resolution**' is required for above purpose and therefore this resolution is placed before members. None of the Directors and KMP and/or their relatives is concerned or interested, financially or otherwise in this resolution except Smt. Rajbir Kaur, being the appointee.

TIME SCHEDULE FOR E-VOTING PROCESS IS GIVEN BELOW

(a) Date and time of commencement of voting through electronic means: **Friday, September 27, 2019 at 9.00 a. m.**

(b) Date and time of end of voting through electronic means beyond which voting will not be allowed: **Sunday, September 29, 2019 at 5.00 p. m.**

(c) Details of Website: www.evotingindia.com

(d) Details of persons to be contacted for issues relating to e-voting: Mr. Puneet Mittal, M/s Beetal Financial and Computer Services Private Limited, New Delhi, Tel. No.011-29961281-283,

e-mail:beetalrta@gmail.com; and CDSL at Tel No. 18002005533, e-mail: helpdesk.evoting@cdslindia.com

(e) Details of Scrutinizer Mr. Ravinder Kumar, Company Secretary in Practice

The e-voting module shall be disabled for voting on Sunday, September 29, 2019 at 5.00 p. m.

Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the **cut off(record date) date as on 23rd September, 2019.**

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER

(i) The voting period begins on **27th September, 2019 and ends on 29th September, 2019.**

During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Monday, 23rd September, 2019**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period

(iv) Click on "Shareholders" tab.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in dematerialised form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Dematerialised Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)
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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the <HIRA AUTOMOBILES LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “ YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “ CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CSDL’s mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from the Google play store. I-phone and Windows phone users can download the app from the App Store and the Windows Phone Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non – Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate(s).
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

ATTACHMENT

Additional information on Directors seeking re-appointment

Name	Rahulinder Singh Sidhu	Gagandeep Singh	Rupinder Kaur	Rajbir Kaur
Age	37	36	71	72
Brief Resume	Working as Managing Director of the Company since 2003	Appointed as Independent Director on 30.12.2018	Appointed as Independent Director on 30.09.2014	Appointed as Independent Director on 30.09.2014
Nature of his expertise in specific functional areas	Vehicle industry	Business	Business	Business
Date of first appointment on the	29.09.2001	30.12.2018	30.09.2014	30.09.2014

Board,				
Qualifications	Graduate	Graduate	Graduate	Graduate
Experience	18 years	15 years	50 years	50 years
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per Company's policy on appointment of Board members	As per Company's policy on appointment of Board members	As per Company ' s policy on appointment of Board members	As per Company ' s policy on appointment of Board members
Last drawn remuneration, if applicable	As mentioned in the Corporate Governance Report (forming part of Annual Report 2018 -19)	Nil	Nil	Nil
Shareholding in the company held either himself or on a beneficial basis for any other persons	270000 equity shares of Rs.10/- each	Nil	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Related with Ms. Neha Sidhu, WTD of the Company as her husband	Nil	Nil	Nil
The number of Meetings of the Board attended during the Year	15 (for details please refer to the Corporate Governance Report, forming part of Annual Report 2018-19)	2 (for details please refer to the Corporate Governance Report, forming part of Annual Report 2018-19)	4 (for details please refer to the Corporate Governance Report, forming part of Annual Report 2018-19)	4 (for details please refer to the Corporate Governance Report, forming part of Annual Report 2018-19)
Names of companies in which the person also holds the directorship and the membership/Chairman of Committees of the Board	1. Rahul Sidhu Enterprises Private Limited 2. Rahul Sidhu Media Private Limited 3. Pacific Finlease Private Limited 4. RSG Studios			

	Private Limited			
Chairmanship/member of the Committees of Board of Directors of other Indian Public Companies	Nil	Nil	Nil	Nil

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company	Hira Automobiles Limited
CIN	L50101CH1989PLC009500
Registered Office-	# 0598, Sector 18B, Chandigarh, 160018
Email	hiraaccounts@gmail.com
Website	www.hiraautomobiles.com
Tel. No.	0175-2209100/101/102

Name of the member (s):	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

I/We, being the member (s) of shares of the above named company, hereby appoint

Name of the Company	Hira Automobiles Limited
CIN	L50101CH1989PLC009500
Registered Office-	# 0598, Sector 18B, Chandigarh, 160018
Email	hiraaccounts@gmail.com
Website	www.hiraautomobiles.com
Tel. No.	0175-2209100/101/102

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I hereby record my presence at 29th Annual General Meeting of the company to be held on Saturday, the 29th day of September, 2018 at 05.00 p.m. at Registered Office of the Company at # 0598, Sector 18 B, Chandigarh, 160018

Folio No./DP ID-Client ID	
Full Name of the Shareholder in Block Letters	
No. of Shares Held	
Name of Proxy (if any) in Block Letters	
Signature of the Shareholder/Proxy/Representative*	

*Strike out whichever is not applicable

BALLOT PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

HIRA AUTOMOBILES LIMITED
CIN – L50101CH1989PLC009500
Registered Office- # 0598, Sector 18 B, Chandigarh, 160018
Email- hiraaccounts@gmail.com website- www.hiraautomobiles.com
Tel. No. 0175-2209100/101/102

30th Annual General Meeting to be held on Monday, the 30th day of September, 2019 at 05.00 p.m. at registered office of the Company # 0598, Sector 18 B, Chandigarh, 160018

S.NO	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No./ *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

SN	Item No.	No. of shares	I assent to the	I dissent from the

		held	resolution	resolution
Ordinary Business				
1	Approval of Annual Accounts for the year ended 31.03.2019			
2	To appoint a Director in place of Mr.Rahulinder Singh Sidhu who retires by rotation and being eligible, offers herself for reappointment.			
3	Ratification of appointment of Auditors and to fix their remuneration			
Special Business				
4	Appointment of Mr. Gagandeep Singh as an Independent Director			
5	Reappointment of Smt. Rupinder Kaur as an Independent Director			
6	Reappointment of Smt. Rajbir Kaur as an Independent Director			

Place:

Date:

(Signature of the Shareholder)

BOARD'S REPORT

TO,
THE MEMBERS OF
HIRA AUTOMOBILES LIMITED

Your Directors have pleasure in presenting the 30th Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

Standalone	(Rs. In Crores)	
Particulars	F.Y. 2018-19	F.Y. 2017-18
Total Income	370.99	355.84
Profit Before Interest and Depreciation	11.15	9.97
Finance Charges	8.08	7.16
Depreciation & Amortization Expenses	1.78	1.59
Profit Before Tax	1.29	1.22
Tax Expense	0.34	0.82
Net Profit After Tax	1.45	0.40
Surplus carried to Reserve and Surplus	1.45	0.40

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Company is an authorized dealer of Maruti Suzuki India Limited and is engaged in selling and providing after sale services of all its Brands. The Company is also carrying on the insurance of vehicles being sold as an agent of Motor Insurance Companies. The Company foresees tough competition in selling of cars in future.

ADOPTION OF IND AS

The Company has adopted Indian Accounting Standards (Ind AS) and Annual Financial Statements for the year ended **31st March, 2019** have been prepared in accordance with the Indian Accounting Standards (“IND AS”) as prescribed under the Companies (Indian Accounting Standards) Rules as amended from time to time notified under Section 133 of the Companies Act, 2013 and .

CHANGE IN NATURE OF BUSINESS

There has been no change in the business activities of the Company during the year under report.

DIVIDEND

The Board of Directors with the view to conserve the resources of company has not recommended any dividend this year.

AMOUNTS TRANSFERRED TO RESERVES

The Board of the company has decided to carry Rs. 1.45 crores to its reserves and surplus account.

CHANGES IN SHARE CAPITAL

There is no change in authorized, issued and paid up share capital of the Company during the year under report.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

The Company does not have any Subsidiary, Joint venture or Associate Company and the provisions regarding disclosure of names of companies which ceased to be the subsidiary, joint venture or associate companies are not applicable.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year and there is no unclaimed dividend.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the period from the end of the financial year to which these financial statements relate and on the date of this report.

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information.

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2017-18, the Company held **15** Board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

14.05.2018	30.05.2018	14.06.2018	14.08.2018	28.08.2018
03.09.2018	05.10.2018	14.11.2018	27.12.2018	30.12.2018
02.01.2019	14.02.2019	02.03.2019	18.03.2019	20.03.2019

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss of the company for that period;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis; and
- (e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND REPORT THEREON

M/s. Mohan Juneja & Co., Chartered Accountants, Patiala, Punjab was appointed as statutory auditors for a period of 5 years to hold office from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company as required under section 139(2) of the Companies Act, 2013 which is to be ratified by the members at ensuing Annual General Meeting. There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation. Further the Auditors' Report for the financial year ended on **31st March, 2019** is annexed herewith for your kind perusal and information.

LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 for third party during the year under review and hence the said provision is not applicable.

RELATED PARTY TRANSACTIONS

The Company has entered into various Related Parties Transactions as defined under Section 188 of the Companies Act, 2013 with related parties as defined under Section 2 (76) of the said Act. Further all the necessary details of transaction entered with the related parties are attached herewith in Form No.AOC-2 for your kind perusal and information.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

The Information pursuant to Section 134(3) (m) pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Outgo is provided in annexure herewith.

RISK MANAGEMENT

The Company has insurance policy for all the assets of the Company and all the insurance policies are renewed well in advance.

DIRECTORS AND KMP

During the current financial year the following changes have occurred in the constitution of Board of Directors and KMP of the company,

S.No.	Name	Designation	Changes	Date of cessation
1	Sukhdeep Kaur	Company Secretary	appointed	03.09.2018
2	Gagandeep Singh	Independent Director	appointed	30.12.2018
3	Rajan Kaushal	CFO	appointed	20.03.2019

DEPOSITS

The company has not accepted or renewed any deposits during the year and there are no unclaimed or unpaid deposits at the end of the financial year.

CORPORATE SOCIAL RESPONSIBILITY

The company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee.

PARTICULAR OF EMPLOYEES

The information required pursuant to Section 134(3) and Section 197(12) read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is attached herewith. Further, information required under Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is nil as no employee of the Company is in receipt of remuneration as stated therein.

ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

SECRETARIAL STANDARDS

The Directors state that the Company has complied with both the applicable Secretarial Standards i.e. SS- 1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

CORPORATE GOVERNANCE

Report on Corporate Governance along with the Certificate of M/s. Mohan Juneja & Co., Chartered Accountants, Patiala, Statutory Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges forms part of the Board Report.

The information under Schedule V Part II Section II point IV is as under,

a) The remuneration package of the directors are as follows:

Name of Director	Rahulinder Singh Sidhu	Neha Sidhu
Salary	Rs. 12,60,000.00	Rs. 8,40,000.00
Bonus	0.00	0.00
Stock Options	0.00	0.00
Pension	0.00	0.00

b) Performance linked incentives- Nil, Service contracts, notice period, servant fees- Nil, Stock option details- Nil

INDEPENDENT DIRECTORS AND DECLARATION

Smt. Rajbir Kaur and Smt. Rupinder Kaur were appointed as independent directors by shareholders on 30th September, 2014 as per Section 149(10) of the Companies Act, 2013 for a term of 5 consecutive years on the Board of the Company. It is proposed to reappoint them for a second term of 5 years. Further, Mr. Gagandeep Singh was appointed as Independent Director by the Board on 30.12.2018. The Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee was reconstituted during the year and as per the section 178(1) of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprises of three Non-executive Directors and Chairman of the committee is Independent and Non executive Director. The table sets out the composition of the Committee as on **31.03.2019**,

Name of the Director	Position held in the Committee	Category of the Director
Rajbir Kaur	Chairman	Independent/ Non Executive
Rupinder Kaur	Member	Independent/ Non Executive
Gagandeep Singh	Member	Independent/ Non Executive

The date of meetings of committee and attendance of members is given in report on corporate governance attached with the report.

Terms of Reference

The Terms of Reference of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and

removal and shall carry out evaluation of every Director's performance.

2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
 - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
4. Regularly review the Human Resource function of the Company
5. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
6. Make reports to the Board as appropriate.
7. Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
8. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

REMUNERATION POLICY

Remuneration to Executive Directors:

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

Remuneration to Non Executive Directors:

The Non Executive Directors have not been paid any Sitting Fees during the year.

AUDIT COMMITTEE

Audit Committee was reconstituted during the year and according to Section 177 of the Companies Act, 2013 the company's Audit Committee comprised of **three Non-executive Directors** and Chairman of the committee is Independent and Non executive Director. The Board has accepted the recommendations of the Audit Committee. The table sets out the composition of the Committee as on **31.03.2019**,

Name of the Director	Position held in the Committee	Category of the Director
Rajbir Kaur	Chairman	Independent/ Non Executive
Rupinder Kaur	Member	Independent/ Non Executive
Gagandeep Singh	Member	Independent/ Non Executive

The date of meetings of committee and attendance of members is given in report on corporate governance attached with the report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee was reconstituted during the year and according to Section 178 of the Companies Act, 2013 which comprised of three Non-executive Directors and Chairman of the committee is Independent and Non executive Director. The table sets out the composition of the Committee as on **31.03.2019**,

Name of the Director	Position held in the Committee	Category of the Director
Rajbir Kaur	Chairman	Independent/ Non Executive
Rupinder Kaur	Member	Independent/ Non Executive
Gagandeep Singh	Member	Independent/ Non Executive

The date of meetings of committee and attendance of members is given in report on corporate governance attached with the report.

SECRETARIAL AUDIT REPORT

There are certain observations in the Secretarial Audit Report which require corrective actions and the Board has given necessary instructions to take corrective action to the concerned persons in this regard. Further the Secretarial Audit Report as provided by Mr. Ravinder Kumar, Company Secretary in Practice for the current financial year is annexed herewith for your kind perusal and information.

ANNUAL SECRETARIAL COMPLIANCE REPORT

As required under Regulation 24A of SEBI (LODR) Regulations, 2015, the Company has appointed Mr. Ravinder Kumar, Company Secretary in Practice to undertake the audit and certification and to submit the report. The observation made by him was placed before the Board and suggestive measures were taken.

VIGIL MECHANISM

As per Section 177(9) and (10) of the Companies Act, 2013, and as per the Clause 49 of the Listing Agreement, the company has established Vigil Mechanism for directors and employees to report genuine concerns and made provisions for direct access to the chairperson of the Audit Committee. Company has formulated the present policy for establishing the vigil mechanism/ Whistle Blower Policy to safeguard the interest of its stakeholders, Directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practice being carried out in the Company.

SHARES

- a. **Buy Back of Securities**-The Company has not bought back any of its securities during the year under review.
- b. **Sweat Equity**-The Company has not issued any Sweat Equity Shares during the year under review.
- c. **Bonus Shares**-No Bonus Shares were issued during the year under review.
- d. **Employees Stock Option Plan**-The Company has not provided any Stock Option Scheme to the employees.

ORDER OF COURT

There is no significant and material order passed by the regulators or courts or Tribunals impacting the going concern status and company's operation in future.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal Financial Controls are adequate and are in consonance with the size and operations of the Company and such internal financial controls are operating effectively. The Company has also appointed M/s. Rajbir Singh & Co. Cost and Management Accountant, Patiala as Internal Auditor as required under Section 138 of the Companies Act, 2013.

SHARES IN SUSPENSE ACCOUNT

- i. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year=nil
- ii. Number of shareholders who approached issuer for transfer of shares from suspense account during the year=nil
- iii. Number of shareholders to whom shares were transferred from suspense account during the year=nil
- iv. aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year=nil

SHARES IN UNCLAIMED SUSPENSE ACCOUNT

- i. Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year=nil
- ii. Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year=nil
- iii. Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year=nil
- iv. Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year=nil

MATERIAL VARIATIONS

The material variations between the projections and the actual utilization are not applicable:

CODE OF CONDUCT

The Code of Conduct of Hira Automobiles Limited is attached herewith.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is attached herewith.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place `Prevention of Sexual Harassment Policy`. This Anti-Sexual Harassment policy of the Company is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The company has complied with provisions relating to the constitution of Internal Complaints Committee and an Internal Complaints Committee (ICC) is in place to redress complaints received regarding sexual harassment. The following is a summary of sexual harassment

complaints received and disposed off during the year, - No. of complaints received: Nil, -No. of complaints disposed off: NA.

COMPLIANCES OF ALL LAWS

The Board hereby states that the company has devised proper systems to ensure compliance of all laws applicable to the company.

COST RECORDS

The provisions of Section 148(1) of the Companies Act, 2013 for maintenance of cost records are not applicable to the Company.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

For and on behalf of Board of Directors
For **HIRA AUTOMOBILES LIMITED**

RAHUL INDER SINGH SIDHU
CHAIRMAN

NEHA SIDHU

DATE : 30th MAY, 2019

AND MANAGING DIRECTOR

WHOLE-TIME DIRECTOR

PLACE:CHANDIGARH

DIN : 00447452

DIN : 00460875

REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is given below,

1. COMPANY PHILOSOPHY ON CODE OF 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. 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 endeavor to attain the goal visualized, the company is laying maximum emphasis on the effective system of Corporate Governance.

2. BOARD OF DIRECTORS

Composition

The present strength of Board of Directors of the Company is four comprising of two Promoter Directors and two Independent Directors having diversified professional experience. Out of total strength of four Directors two are executive and three are Non-Executive. The composition of Board of Directors as on **31st March, 2019** is as under -

S.N.	Name	DIN	Designation	Nature of Directorship
1	Rahul Inder Singh Sidhu	00447452	Chairman and Managing Director	Promoter/ Executive
2	Neha Sidhu	00460875	Whole-time director	Promoter/ Executive
3	Rajbir Kaur	06397998	Director	Independent/ Non Executive
4	Rupinder Kaur	06403845	Director	Independent/ Non Executive
5	Gagandeep Singh	08316794	Additional Director	Independent/ Non Executive

Attendance of each Director at the Board Meetings held during the year 2018-19 and last Annual General Meeting and number of other Boards or Board Committees in which he/she is a member is as under-

S. N.	Name of Director	No. of Board Meeting attended	No. of other Directorship	Membership in other Committees	Attendance at last AGM
1	Rahul Inder Singh Sidhu	15	4	-	Yes
2	Neha Sidhu	15	4	-	Yes
3	Rajbir Kaur	4	-	4	Yes
4	Rupinder Kaur	4	-	4	-
5	Gagandeep Singh	2	-	4	-

Shri Rahul Inder Singh Sidhu, Managing Director of the Company and Smt. Neha Sidhu, Whole Time Director on the Board of Directors are related to each other as husband and wife.

During the year, 15 meetings of the Board of Directors were held on the following dates-

14.05.2018	30.05.2018	14.06.2018	14.08.2018	28.08.2018
03.09.2018	05.10.2018	14.11.2018	27.12.2018	30.12.2018
02.01.2019	14.02.2019	02.03.2019	18.03.2019	20.03.2019

The detail of number of shares and convertible instruments held by non – executive directors is given as below,

SN	Name of non – executive Director	No. of Equity Shares Held	No. of convertible instruments Held
1	Rajbir Kaur	Nil	NA
2	Rupinder Kaur	Nil	NA
3	Gagandeep Singh	Nil	NA
	Total	Nil	NA

The familiarization programme imparted to independent directors is disclosed on weblink www.hiraautomobiles.com of the Company.

3. AUDIT COMMITTEE

The terms of reference of the audit committee include all the matters as provided under Section 177 (4) of The Companies Act, 2013 and the rules made there under and SEBI (LODR) Regulations, 2015 as amended from time to time.

Composition and Meetings

In compliance with the provisions of Section 177(2) of the Companies Act, 2013, Audit Committee comprised of three Non-executive Directors and Chairman of the committee is Independent and Non executive Director. Four meetings of Audit Committee were held during the year under consideration on following dates-

30.05.2018	14.08.2018	14.11.2018	14.02.2019
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The detail of members of the audit committee as on **31.03.2019** and their attendance during the year is as under-

Name of Directors	Position held in the Committee	Category	Meetings	
			Held	Attended
Rajbir Kaur	Chairman	Independent/ Non Executive	Four	Four
Rupinder Kaur	Member	Independent/ Non Executive	Four	Four
Gagandeep Singh	Member	Independent/ Non Executive	Four	One

4. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of Nomination and Remuneration Committee covers all the matters provided under the Companies Act, 2013 and the rules made there under and SEBI (LODR) Regulations, 2015.

Composition and Meetings

In compliance with the provisions of Section 178(1) of the Companies Act, 2013, Nomination and Remuneration Committee comprises of three Non-executive Directors and Chairman of the committee is Independent and Non executive Director. No meeting of Nomination and Remuneration Committee was held during the year under consideration.

The details of members of the committee as on **31.03.2019** and their attendance during the year is as under-

Name of Directors	Position held in the Committee	Category	Meetings	
			Held	Attended
Rajbir Kaur	Chairman	Independent/ Non Executive	Nil	Nil
Rupinder Kaur	Member	Independent/ Non Executive	Nil	Nil
Gagandeep Singh	Member	Independent/ Non Executive	Nil	Nil

Remuneration policy

Remuneration policy ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully and that relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

5. 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. Following Executive Directors were paid as per detail given below,

S.N.	Name Of Director	Designation	Salary Rs.	Benefits	Bonus	Stock Options	Pension
1	Rahulinder Singh Sidhu	Managing Director	12,60,000/-	-	-	-	-
2	Neha Sidhu	Whole Time Director	8,40,000/-	-	-	-	-

No commission on profits is paid to any of the Directors. No stock option has been given to any of the Directors, including Executive Directors.

6. STAKEHOLDERS' GRIEVANCE COMMITTEE:

Composition and Meetings

In compliance with the requirement of Section 178(5) of The Companies Act, 2013, Stakeholder Relationship Committee comprises of three Independent and Non-executive Directors and Chairman of the committee is Independent and Non executive Director, to consider and resolve the grievances of security holders of the company. No meeting of the Committee was held during the year. The details of members of the committee as on **31.03.2019** is as under-

Name of Directors	Position held in the Committee	Category	Meetings	
			Held	Attended
Rajbir Kaur	Chairman	Independent/ Non Executive	Nil	Nil
Rupinder Kaur	Member	Independent/ Non Executive	Nil	Nil
Gagandeep Singh	Member	Independent/ Non Executive	Nil	Nil

Compliance Officer

Ms. Sukhdeep Kaur, Company Secretary, has been appointed as Compliance officer for the purpose of complying with various provisions of the Guidelines, Regulations issued by Securities and Exchange Board of India, Listing Agreement with Stock Exchanges.

Complaints

The Company has not received any complaint during the year from the shareholders and there is no pending complaint with the Company.

7. GENERAL BODY MEETINGS

Location and time, where last three Annual General Meetings were held is given below -

Financial Year	Date	Time	Venue
2015-16	30.09.2016	5.00 P.M.	# 0598, Sector 18B, Chandigarh, 160018
2016-17	08.09.2017	5.00 P.M.	# 0598, Sector 18B, Chandigarh, 160018
2017-18	29.09.2018	5.00 P.M.	# 0598, Sector 18B, Chandigarh, 160018

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

Date of meeting	Special resolution passed
30.09.2016	Nil
08.09.2017	Nil
29.09.2018	Nil

POSTAL BALLOT

No special resolution has been passed last year through postal ballot and no special resolution is proposed to be conducted through postal ballot.

8. MEANS OF COMMUNICATION

Quarterly results are normally published in the newspapers and also sent to BSE Limited. Physical copy of annual report which inter alia includes the Directors Report, Corporate governance report, Audited Accounts, Cash Flow Statements etc. was sent to shareholders by post and also to BSE Limited. The quarterly results and annual report is also available on company's website at www.hiraautomobiles.com under investors section.

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date: 30.09.2019, Time: 05.00 PM, Day: Saturday and Venue: Registered Office of the Company at # 0598, Sector-18B, Chandigarh, 160018

Financial Year

The company's Financial Year starts from 1st April every year and conclude on 31st March, next year.

Book Closure

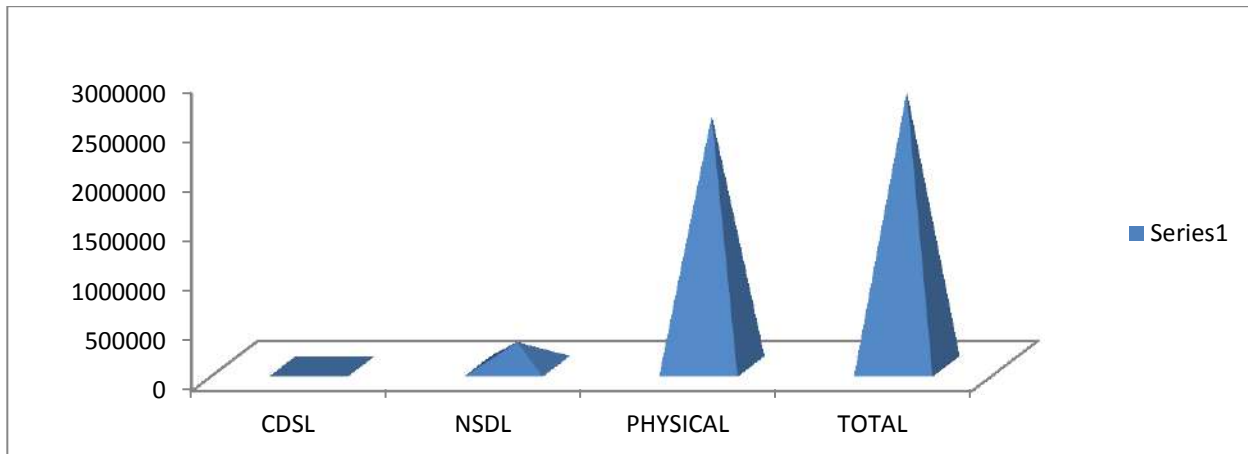
The Register of Members and the Share Transfer Books of the Company shall remain closed from 28th day of September, 2019 to 30th day of September, 2019 (both days inclusive).

Dividend

capital admitted / held in dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges.

Dematerialization of shares and liquidity

The Shares of the company have not been traded on stock exchange during the period under review. The ISIN of the Company is **INE258Z01013** and 08.73% shares of the Company are held in dematerialized form and graphically represented as under--



Distribution of shareholding

Detail of distribution of share holding of equity share of the Company by size and ownership class as on **31.03.2019** is given as under

Share Holding of Nominal Value of Rs. 10	Number of Shareholders	% To Total	No of Shares	Amount In Rs	% To Total
UP TO 5000	129	62.93	38,840	3,88,400.00	1.4106
5001 TO 10000	49	23.90	44,500	4,45,000.00	1.6162
10001 TO 20000	7	3.41	10,000	1,00,000.00	0.3632
20001 TO 30000	4	1.95	9,000	90,000.00	0.3269
30001 TO 40000	2	0.98	6,800	68,000.00	0.2470
40001 TO 50000	1	0.49	4,400	44,000.00	0.1598
50001 TO 100000	1	0.49	5,200	52,000.00	0.1889
100001 AND ABOVE	10	5.85	26,34,700	2,63,47,000.00	95.6876
TOTAL	203	100.00	27,53,440	2,75,34,400.00	100.0000

Category	Number of holders	Number of Shares	% age to total
Promoter-Individual Indian	8	2573300	93.46
Promoter- Non Resident Individual	3	62400	2.26
Non Resident Individual	1	500	0.02
Bodies Corporate	1	500	0.02
Resident Individuals-HUF	190	116740	4.24
Total	203	2753440	100

GDRs/ADRs

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments.

Showroom/Workshop Locations

Showroom

Locations

1. Hira Automobiles Limited, Rajbaha Road, Patiala Ph. No .0175-2209100
2. Hira Automobiles Limited, 13-B, Factory Area, Patiala. Ph No.0175-2361361
3. Hira Automobiles Limited, B-1/A, Focal Point, Patiala Ph. No.0175-2232296
4. Hira Automobiles Limited, C-20, Focal Point, Patiala Ph No. 0175-2232377
5. Hira Automobiles Limited, Patiala Rajpura Road, Patiala Ph No.0175-2219100
6. Hira Automobiles Limited. Malout Road, Muktsar, Ph .No 01633-262020
7. Hira Automobiles Limited. Narwana Road, Patran, Ph .No 01764-245788
8. Hira Automobiles Limited, Village Bhadak, Rajpura, Ph. No. 01762-244881
9. Hira Automobiles Limited, Radha Swami Satsang Road, Nabha, Ph.No. 01765-505959
10. Hira Automobiles Limited, Muktsar Road, Malout, Ph. No.01637-263724
11. Hira Automobiles Limited, Patiala Pehowa Road, Devigarh,Ph. No.0175-2631152
12. Hira Automobiles Limited, Bathinda Malout Road, Gidderbaha,Ph.No.
13. Hira Automobiles Limited, Nabha Road, Bhadson, Ph No. 01765-260060
14. Hira Automobiles Limited, Cheeka Road, Samana Ph No.
15. Hira Automobiles Limited, Malout Road, Killianwali.

Address for correspondence

Following is the address for correspondence:

Registered Office – Hira Automobiles Limited, # 0598, Sector 18B, Chandigarh, 160018

10. OTHER DISCLOSURES

Related Party Transactions

There are no materially significant related party transactions that may have potential conflict with the interests of company at large. There were transactions with related parties at market price at arm's length basis which are disclosed in Form AOC – 2 attached herewith. The policy on dealing with related party transactions is available on web link www.hiraautomobiles.com of the Company

Compliance

The Company has complied with all the provisions of listing agreement and that no penalties and /or strictures has been imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Vigil Mechanism

Detail of Vigil Mechanism is provided in the same heading in Director's Report.

Whistle Blower Policy

Company has formulated the Whistle Blower Policy to safeguard the interest of its stakeholders, Directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any

illegal or unethical practice being carried out in the Company and that no personnel has been denied access to the audit committee.

Mandatory Requirements

The Company has complied with all the mandatory requirements as stipulated in SEBI (Listing and Disclosure Requirements) Regulations, 2015 as amended from time to time.

COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We, Rahulinder Singh Sidhu, Managing Director and Rajan Kaushal, Chief Financial Officer of the Company hereby certify that;

A. We have reviewed financial statements and the cash flow for the year ended 31st March 2018 and that to the best of our knowledge and belief;

(1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) 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.

B. 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's code of conduct.

C. 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.

D. We have indicated to the auditors and the Audit committee:

(1) Significant changes in internal control over financial reporting during the year

(2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and

(3) There were no instances of fraud of which they have become aware and the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

DATE: 30.05.2019

RAHULINDER SINGH SIDHU

RAJAN KAUSHAL

PLACE: CHANDIGARH

MANAGING DIRECTOR

CHIEF FINANCIAL OFFICER

DIN- 00447452

CEO DECLARATION ON CODE OF CONDUCT

I, Rahulinder Singh Sidhu, Managing Director of the Company hereby declare that all Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the Directors and Senior Management Personnel as approved by the Board, for the Financial Year ended **31st March, 2019**.

For HIRA AUTOMOBILES LIMITED

DATE: 30.05.2019

RAHULINDER SINGH SIDHU

PLACE: CHANDIGARH

MANAGING DIRECTOR-DIN-00447452

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The Board of Directors

Hira Automobiles Limited

Chandigarh,

We have examined the compliance of conditions of Corporate Governance by Hira Automobiles Limited for the financial year ended **March 31, 2019** as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency of effectiveness with which the management has conducted the affairs of the company.

For Mohan Juneja &Co.

Firm Registration Number –020488N

(Chartered Accountants)

Mohan Juneja

(Proprietor)

Membership No. -099825

Place: Chandigarh

Date: 30.05.2019

FORMNO.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the

Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L50101CH1989PLC009500
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g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub- total(B)(1)									
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas		500.00	500.00	0.02%		500.00	500.00	0.02%	
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 2 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		116740	116740	4.24%		116740	116740	4.24%	
c) Others(Spe cify) - NRI		500.00	500.00	0.02%		500.00	500.00	0.02%	
Sub- total(B)(2)		117740	117740	4.28%		117740	117740	4.28%	
TotalPublic Shareholding (B)=(B)(1)+ (B)(2)		1177400	117740	4.28%		117740	117740	4.28%	

C.Shares heldby Custodianfor GDRs&ADRs									
GrandTotal (A+B+C)	2753440	100%	100%	240	500	2512940	2753440	100%	

ii.Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	
1.	Rajinder Kaur Bhattal	826000	30.00	0.00	826000	30.00	0.00	0.00
2.	Kuldeep Singh Bhattal	272100	9.88	0.00	272100	9.88	0.00	0.00
3.	Rahulinder Singh Sidhu	270000	9.81	0.00	270000	9.81	0.00	0.00
4.	Simran Bajwa	265000	9.62	0.00	265000	9.62	0.00	0.00
5.	D S Sangha	51600	1.87	0.00	51600	1.87	0.00	0.00
6.	Preet Sangha	25400	0.92	0.00	25400	0.92	0.00	0.00
7.	Vikram Bajwa	24700	0.90	0.00	24700	0.90	0.00	0.00
8.	Manjeet Kaur Sangha	862900	31.34	0.00	862900	31.34	0.00	0.00
9.	Amandeep Singh	21600	0.78	0.00	21600	0.78	0.00	0.00
10.	Karamjit	15400	0.56	0.00	15400	0.56	0.00	0.00
11.	Neha Sidhu	1000	0.04	0.00	1000	0.04	0.00	0.00
	Total	2635700	95.72	0.00	2635700	95.72%		

iii.Change in Promoters' Shareholding (please specify, if there is no change) -No change-

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the

			company		company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL

V. I. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	86585144	107656888	0	194242032
ii) Interest due but not paid				
iii) Interest accrued but not				
Total(i+ii+iii)	86585144	107656888	0	194242032
Change in Indebtedness during the financial year				
- Addition	40926752	10761000	0	51687752
- Reduction	30149926	23199673	0	53349599
Net Change	10776826	-12439673	0	-1661847
Indebtedness at the end of the financial year				
i) Principal Amount	97361970	95218215	0	192580185
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	97361970	95218215	0	192580185

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration			Total
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		Rs.	Rs.	Amount Rs.
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NEHA SIDHU, WTD 840000.00 0.00 0.00	RAHULINDER SINGH SIDHU, MD 1260000.00 0.00 0.00	 2100000.00 0.00 0.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission - as % of profit - others, specify	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00
6.	Total(A)	840000.00	1260000.00	2100000.00
	Ceiling as per the Act			

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total(1)	NIL	NIL	NIL	NIL	NIL
	<u>Other Non-Executive Directors</u> · Fee for attending board committee	NIL	NIL	NIL	NIL	NIL

	meetings ·Commission ·Others,pleasespecify					
	Total(2)	NIL	NIL	NIL	NIL	NIL
	Total(B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Tota lManageria lRemuneration	NIL	NIL	NIL	NIL	NIL
	Over all Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. no.	Particulars of Remuneration (Rs.)	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Grosssalary (a)Salaryasper provisions containedin section17(1)of theIncome-tax Act,1961 (b)Valueof perquisitesu/s 17(2)Income-tax Act,1961 (c)Profitsinlieuof salaryundersection 17(3)Income-tax Act,1961	0.00	84,000.00	10,684.00	94,684.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
2.	StockOption	0.00	0.00	0.00	0.00
3.	SweatEquity	0.00	0.00	0.00	0.00
4.	Commission - as%of profit -others,specify...	0.00	0.00	0.00	0.00
5.	Others,please specify	0.00	0.00	0.00	0.00
6.	Total	0.00	84,000.00	10,684.00	94,684.00

VII. PENALTIES/PUNISHMENT/COMPOUNDINGOFFENCES: -----NIL-----

For and on behalf of Board of Directors
For **HIRA AUTOMOBILES LIMITED**

RAHUL INDER SINGH SIDHU
CHAIRMAN
AND MANAGING DIRECTOR
DIN : 00447452

NEHA SIDHU
WHOLE-TIME DIRECTOR
DIN : 00460875

DATE : 30TH MAY, 2018
PLACE:CHANDIGARH

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions in ordinary course of business and at arm's length basis

SN	Particulars	Details
A	Name(s) of the related party and nature of relationship	Rahulinder Singh Sidhu
B	Nature of contracts/arrangements/transactions	working as Managing Director
C	Duration of the contracts/arrangements/transactions	5 years
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 12,60,000/- paid as remuneration for 2018-19, Rs. 55,03,710/- paid as interest on unsecured loan and Rs. 49274114/- received as unsecured loan.
E	Justification for entering into such contracts or arrangements or transactions	NA
F	Date of approval by the Board	30.05.2018
G	Amount paid as advances, if any	-
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions in ordinary course of business and at arm's length basis

SN	Particulars	Details
A	Name(s) of the related party and nature of relationship	Neha Sidhu
B	Nature of contracts/arrangements/transactions	Working as Whole Time Director
C	Duration of the contracts/arrangements/transactions	5 years
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 8,40,000/- paid as remuneration for 2018-19
E	Justification for entering into such contracts or arrangements or transactions	NA
F	Date of approval by the Board	30.05.2018
G	Amount paid as advances, if any	-
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

HIRA AUTOMOBILES LIMITED

RAHUL INDER SINGH SIDHU

NEHA SIDHU

**DATE : 30TH MAY,
2018**

**CHAIRMAN AND MANAGING
DIRECTOR**

**WHOLE-TIME DIRECTOR
DIN : 00460875**

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO**(A) Conservation of energy:**

Steps taken / impact on conservation of energy, with special reference to the following:

- (i) Steps taken by the company for utilizing alternate sources of energy including waste generated - NIL
- (ii) Capital investment on energy conservation equipment - NIL

(B) Technology absorption:

1. Efforts, in brief, made towards technology absorption - NIL
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. - NIL
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:
 - (a) Details of technology imported. - NIL
 - (b) Year of import. - NIL
 - (c) Whether the technology been fully absorbed- NIL
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore- NIL.
4. Expenditure incurred on Research and Development : Nil

(C) Foreign exchange earnings and Outgo

Earnings	NIL
Outgo	NIL

RATIO OF REMUNERATION

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	4.70
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Nil
(iii) the percentage increase in the median remuneration of employees in the financial year;	Nil
(iv) the number of permanent employees on the rolls of company;	833
(v) the explanation on the relationship between average increase in remuneration and company performance;	NA
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	As per individual performance
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case	Nil

of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Nil
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	As per individual performance
(x) the key parameters for any variable component of remuneration availed by the directors;	Nil
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Nil
(xii) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

DECLARATION

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As stipulated under the provisions of SEBI (Listing and Disclosure Requirements) Regulations, 2015 all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended **March 31, 2019**.

RAHULINDER SINGH SIDHU
MANAGING DIRECTOR
DIN-00447452

DATE: 30.05.2019

PLACE: CHANDIGARH

RAVINDER KUMAR
PRACTISING COMPANY SECRETARY
B.Sc, FCS
M – 4569, CP- 8444

Office- 612 Dalima Vihar, Rajpura, Punjab, 140401

Email: ravindermukhi@gmail.com

Mobile: 09872819908

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

TO

THE MEMBERS

HIRA AUTOMOBILES LIMITED

0598, SECTOR 18B, CHANDIGARH, 160018

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hira Automobiles Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Hira Automobiles Limited for the financial year ended on **31st March, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- (vi) Payment of Wages Act, Gratuity Act, Employees State Insurance Act, 1948, The Employees Provident Fund & Miscellaneous Provisions Act, 1952, The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. Promoters share holding in the Company is 95.72% whereas required limit as per SEBI (LODR) Regulations, 2015 is 75%.

2. 08.73% promoters' share holding is in dematerialized form only whereas required limit as per SEBI (LODR) Regulations, 2015 is 100%.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**RAVINDER KUMAR,
PRACTISING COMPANY SECRETARY
612, DALIMA VIHAR, RAJPURA
FCS NO. 4569, C P NO.: 8444**

PLACE: CHANDIGARH

DATE: 30th MAY, 2019

This report is to be read with our letter of even date which is annexed as **ANNEXURE A** and forms an integral part of this report.

TO
THE MEMBERS
HIRA AUTOMOBILES LIMITED
0598, SECTOR 18B, CHANDIGARH, 160018

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

RAVINDER KUMAR,
PRACTISING COMPANY SECRETARY
612, DALIMA VIHAR, RAJPURA
FCS NO. 4569, C P NO.: 8444

PLACE: CHANDIGARH
DATE: 30th MAY, 2019

HIRA AUTOMOBILES LIMITED

CODE OF CONDUCT

PERSON TO WHOM THE CODE IS APPLICABLE

This code is applicable to the following persons (hereinafter referred to as 'Officers' of the company):

- All the Board Members.
- The entire Core group Members of the Company and heads of the department

I GENERAL STANDARD OF CONDUCT

1. Officers are expected to exercise good judgment to ensure the safety and welfare of employees, consumers, customers, suppliers, shareholders, lenders and other stakeholders, and to maintain a co-operative, efficient, positive, harmonious and productive work environment, practice integrity in interpersonal relationships, work on the principal of mutual trust, transparency and team work.
2. Officers are expected to acquire and maintain professional competence.
3. Officers are expected to observe discipline and conduct themselves, both on and off-duty, in a manner to uphold the high image of the company.
4. Officers are expected to assist the company in identifying, controlling, mitigating and managing business risks within the company's risk management policy framework.
5. Officers are expected to assist the company in providing to its employees a work environment free of harassment and free of discrimination based on race, religion, creed, color, physical or mental disability, age, sex, etc.
6. Officers should not engage in selling or distribution, or be in possession of or use narcotics/psychotropic drugs or be under influence of alcohol while on duty.
7. As Officers represent the Company before the public and various authorities they are expected to dress neatly and appropriately in a manner consistent with the nature of their work and the image of the company.
8. Officers should not claim from the company unauthorized personal expenses.
9. Customer/supplier/investor Relationships- Officers who need to deal with customers, suppliers and investors should understand that they are dealing and therefore should uphold the image and goodwill generated and built-up by the Company over the year.

II APPLICABLE LAWS

Officers must acquire adequate Knowledge of all the applicable laws, rules, regulations, order and notifications under regulatory framework as applicable to their functions and duties and should follow and comply with the same and avoid violation, breach or infringement thereof.

III CONFLICT OF INTEREST

Officers of the Company will avoid conflict of interest. Conflict of interest is said to exist when personal interest may have a potential conflict with the interest of the company at large. Where any transaction involves conflict of interest, prior approval of the Managing Directors / Executive Director and in case of a Director, of the Board should be obtained.

IV PROTECTING CONFIDENTIAL INFORMATION

The Company's confidential information is a vita and asset. It may relate to product, product formula, process, product plans and road maps, cost and financial information, information as to customers, suppliers, dealers and employees, business arrangements and agreements as well as to patents, trademarks, copyrights and trade secrets. For the purpose of this Code, confidential information would also include the information obtained by the Company from a third party under a Non Disclosure Agreement. Such confidential information should be protected and safeguarded against unauthorized/ personal use and should not be disclosed to any one expect (i) with prior authorization (ii) in the ordinary course of carrying on the business of the Company. In the course of conducting the Company's Business, Officers may come in possession of confidential information about its employees, customers, suppliers, etc. Officers should handle the same with utmost responsibility and prevent its misuse.

V PREVENTION OF INSIDER TRADING

Officers are privy to price sensitive inside information and should not use it to make personal gains. The Company has framed "Code of Conduct for prevention of insider trading in the Securities of the Company," Officers should follow the same in letter and spirit.

VI COMPANY'S ASSETS

Protecting and safeguarding the Company's assets and properties and preventing their unauthorized use/ personal use is one of the key and prime responsibility of Officers. Officers are personally responsible of the Company's funds under their control. Officers should use electronic communication facilities like e-mail, Internet etc. in a legal ethical and appropriate manner and not expose the Company to liability resulting from the illegal, unauthorized or unethical use thereof.

VII NON COMPLIANCE

In case of non-compliance of any of the provisions of this Code of conduct, the same shall be reported to the Chairman of the Board of Directors of the Company.

VIII ANY AMENDMENTS OR MODIFICATION TO THE CODE OF CONDUCT

This Code of Conduct is subject to modification. The Board of Directors has the requisite power and the authority to update and amend the Code of Conduct from time to time.

IX ACKNOWLEDGEMENT OF RECEIPT OF CODE OF CONDUCT AND ETHICS

I have received and read the Company's Code of Conduct and Ethics and have understood the standards and policies contained therein. I agree to comply with the Company's Code of Conduct and Ethics. I hereby affirm to the Company compliance with the Code Conduct and Ethics on an annual basis and also undertake to renew such affirmation in the first week of April every year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry structure and development

In the year 2018-19 the industry showed a minor de-growth in volumes. Your Principal company Maruti Suzuki worked efficiently to register a good growth in this financial year but could not happen. The selling was hard which was undertaken by your company to mark a growth and increase in sales only due to price rise and growth in sale of true value cars.

2. Opportunities and threats

Still the Indian market is at the adolescence stage as the number of cars per 1000 populations is quite low as compared with the west or the developed economies. In India we have a large scope to increase our sales and create new markets for us keeping in view the potential available. The opportunity in the replacement segment is immense as the used car industry has just started to become organized. All these opportunities put together makes our future bright and we have to make efforts to grab the required share. The competition is intensifying and all companies are making their best efforts to grab the market available. We are in a position where the market forces may retard our pace of growth as the economy is going down. There is major crises spread over in the finances from NBFC's and Banks. NBFC's and Banks are doing finance business coservately. Due to which, Auto Companies are not registering any growth over the past. There is another major threat to your company that some banks and NBFC' are recalling their working capital limits.

3. Segment wise or product wise performance

Maruti Suzuki has its strength in the range of products. At every Lac they have a car to offer to their customers. We are at an advantage that we can supply the products to whichever segment the customer is ready. With the stagnation looming across the industries the small diesels cars are more in demand which is the strength of your company. But the Principal is not going to produce Diesels Products after announcement of BHARAT-IV stage due to Major Price hike will happen after that. The focus is continuous on the sales of each segment and growth is being monitored on every product.

4. Outlook

The company is not very much sure about the future growth as the GDP growth is going down and adverse impact of hasty implemented of GST and decision like demonization of the central Government appears on the economy of the company. However, The Central Government is working towards achievement five trillion economy of the Country in the coming years which may give a boost to the Auto Industry.

5. Risks and concern

The competition and the more demand of working capital due to GST implementation have been perceived as a challenge but with us it is an opportunity. Cars now are necessary comfort for each individual who is mobile and has to move to places. So for him/her we are the choice as our vehicles are economical to buy and easy to maintain. The share is growing hence we do not feel any risk to our business.

6. Internal control systems and their adequacy

The internal controls have been made more stringent with team of auditors working to check each transaction and verify the same. The audit, pre-audit and the concurrent audit is keeping the operation team on their toes and let them not make any mistake.

7. Discussion on financial performance with respect to operational performance

Due to GST implementation and Competition, there has been minor adverse impact on the financial stability of the company with respect to operational performance as the working capital limits of the company has increased substantially in comparison to minor growth in operational performance. Profitability of the company has been stable during the year inspite of higher burden of interest expenditure but in future it is going down due to continuously de- growth in the sales segment. .

8. Human Resources

Human Resource is considered to be the most prized asset of the company by the management. Hence the work-force is being looked after well and ensured that they remain motivated. The 360 degree appraisal system ensures their satisfaction and brings out their concerns and bikerings which are addressed by the management immediately. This improves the employee-management relationship and makes them work for the better future of the company.

9. Management of the Company

As Company has a large network of branches spread over 15 locations in two district of Patiala and Muktsar, each location is being managed by a rich experienced deemed CEO who is also known deemed key managerial personnel. All the branches key Managerial Personnel are reporting to the Senior Most KMP sitting at Patiala corporate office of the Company.

RAVINDER KUMAR
PRACTISING COMPANY SECRETARY
B.SC, FCS
M – 4569, CP- 8444

Office- 612 Dalima Vihar, Rajpura, Punjab, 140401

Email: ravindermukhi@gmail.com

Mobile: 09872819908

Secretarial compliance report of M/s. Hira Automobiles Limited for the year ended 31st March,

2019

I, Ravinder Kumar, a Practising Company Secretary have examined:

- (a) all the documents and records made available to us and explanation provided by **M/s. Hira Automobiles Limited** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed **entity**,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31st March, 2019** ("Review Period") in respect of compliance with the provisions of-

- (a) the Securities and Exchange Board of India Act, 1992 (SEBI Act') and the Regulations, circulars, guidelines issued there under; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under *by* the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations. 2018:
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014:

- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (l) Nil (other regulations as applicable)

and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/Circulars/guidelines including specific clauses)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	<u>Regulation 38 of SEBI (LODR) Regulations, 2015.</u> The Company is required to maintain minimum public shareholding of 25%	minimum public shareholding of 04.28% only as on 31.03.2019	This is continuing violation and SEBI has already passed an order and promoters are restrained to deal in securities of the Company and to accept position of a Director in any other listed entity till MPS is achieved
2	<u>Regulation 31 (2) of SEBI (LODR) Regulations, 2015.</u> The listed entity shall ensure that hundred percent of shareholding of promoter(s) and promoter group is in dematerialized form.	08.73% shares are held in demat form as on 31.03.2019	Further Demat of shares by promoters is under process as per information received from the Company
3	Updation of DN database with for physical shares and demat shares.	DN database is not updated for physical shares and demat shares as on 31.03.2019	Shareholding of promoters/Directors has been freezed by NSDL

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from my/our examination of those records.

- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating*

Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

- Shareholding of promoters/Directors has been frozen by NSDL during the year for not updating DN database.

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
	NA	NA	NA	NA

RAVINDER KUMAR
PRACTISING COMPANY SECRETARY

DATE-30.05.2019
PLACE-RAJPURA

CODE OF CONDUCT

PERSON TO WHOM THE CODE IS APPLICABLE

This code is applicable to the following persons (hereinafter referred to as 'Officers' of the company):

- All the Board Members.
- The entire Core group Members of the Company and heads of the department

I GENERAL STANDARD OF CONDUCT

1. Officers are expected to exercise good judgment to ensure the safety and welfare of employees, consumers, customers, suppliers, shareholders, lenders and other stakeholders, and to maintain a co-operative, efficient, positive, harmonious and productive work environment, practice integrity in interpersonal relationships, work on the principal of mutual trust, transparency and team work.
2. Officers are expected to acquire and maintain professional competence.
3. Officers are expected to observe discipline and conduct themselves, both on and off-duty, in a manner to uphold the high image of the company.
4. Officers are expected to assist the company in identifying, controlling, mitigating and managing business risks within the company's risk management policy framework.
5. Officers are expected to assist the company in providing to its employees a work environment free of harassment and free of discrimination based on race, religion, creed, color, physical or mental disability, age, sex, etc.
6. Officers should not engage in selling or distribution, or be in possession of or use narcotics/psychotropic drugs or be under influence of alcohol while on duty.
7. As Officers represent the Company before the public and various authorities they are expected to dress neatly and appropriately in a manner consistent with the nature of their work and the image of the company.
8. Officers should not claim from the company unauthorized personal expenses.
9. Customer/supplier/investor Relationships- Officers who need to deal with customers, suppliers and investors should understand that they are dealing and therefore should uphold the image and goodwill generated and built-up by the Company over the year.

II APPLICABLE LAWS

Officers must acquire adequate Knowledge of all the applicable laws, rules, regulations, order and notifications under regulatory framework as applicable to their functions and duties and should follow and comply with the same and avoid violation, breach or infringement thereof.

III CONFLICT OF INTEREST

Officers of the Company will avoid conflict of interest. Conflict of interest is said to exist when personal interest may have a potential conflict with the interest of the company at large. Where any transaction

involves conflict of interest, prior approval of the Managing Directors / Executive Director and in case of a Director, of the Board should be obtained.

IV PROTECTING CONFIDENTIAL INFORMATION

The Company's confidential information is a vita and asset. It may relate to product, product formula, process, product plans and road maps, cost and financial information, information as to customers, suppliers, dealers and employees, business arrangements and agreements as well as to patents, trademarks, copyrights and trade secrets. For the purpose of this Code, confidential information would also include the information obtained by the Company from a third party under a Non Disclosure Agreement. Such confidential information should be protected and safeguarded against unauthorized/ personal use and should not be disclosed to any one expect (i) with prior authorization (ii) in the ordinary course of carrying on the business of the Company. In the course of conducting the Company's Business, Officers may come in possession of confidential information about its employees, customers, suppliers, etc. Officers should handle the same with utmost responsibility and prevent its misuse.

V PREVENTION OF INSIDER TRADING

Officers are privy to price sensitive inside information and should not use it to make personal gains. The Company has framed "Code of Conduct for prevention of insider trading in the Securities of the Company," Officers should follow the same in letter and spirit.

VI COMPANY'S ASSETS

Protecting and safeguarding the Company's assets and properties and preventing their unauthorized use/ personal use is one of the key and prime responsibility of Officers. Officers are personally responsible of the Company's funds under their control. Officers should use electronic communication facilities like e-mail, Internet etc. in a legal ethical and appropriate manner and not expose the Company to liability resulting from the illegal, unauthorized or unethical use thereof.

VII NON COMPLIANCE

In case of non-compliance of any of the provisions of this Code of conduct, the same shall be reported to the Chairman of the Board of Directors of the Company.

VIII ANY AMENDMENTS OR MODIFICATION TO THE CODE OF CONDUCT

This Code of Conduct is subject to modification. The Board of Directors has the requisite power and the authority to update and amend the Code of Conduct from time to time.

IX ACKNOWLEDGEMENT OF RECEIPT OF CODE OF CONDUCT AND ETHICS

I have received and read the Company's Code of Conduct and Ethics and have understood the standards and policies contained therein. I agree to comply with the Company's Code of Conduct and Ethics. I hereby affirm to the Company compliance with the Code Conduct and Ethics on an annual basis and also undertake to renew such affirmation in the first week of April every year.

Independent Auditor's Report

To the Members of M/s. *Hira Automobiles Limited*

Report on the Standalone Financial Statementsⁱ

Opinion

We have audited the standalone financial statements of *Hira Automobiles Limited* ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with (Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rule 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not covered the other information and we do not express any form of assurance conclusion thereupon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we concluded that there is a material misstatement of their information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS and other accounting policies generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) In our and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Further explained by the management, there no such major litigations are pending which would impact its financial position.
 - ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. However it is informed and explained to us that there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Mohan Juneja & Co.

Chartered Accountants

Firm Registration No.020488N

CA Mohan Juneja

Proprietor

Membership Number 099825

Chandigarh, 30 May 2019

Annexure A to the Independent Auditor's Report

Annexure referred to in paragraph 6(l) under "Report on other Legal and Regulatory requirements" of our report of even date to the members of the Company on the standalone Ind AS financial statements 3 of our report of even date

1. *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.*

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. However as informed, Discrepancies noticed on such verification, which are not material, have been properly dealt with in books of accounts.

According to information and explanation given to us, the title deeds of immovable properties are held in the name of the Company.

2. *As informed to us, physical verification of inventory of the company has been conducted by the management at reasonable intervals during the year.*

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.

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. According to the information and explanation given to us, the Company has granted/ advanced inter corporate deposits amounting to Rs. Nil covered in the register maintained under section 189 of the Companies Act,2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
5. According to the information and explanation given to us, the Company has not accepted deposits from public. Advances from customers for sale of vehicles and against sale promotion schemes run by the Company to promote its sale are received and paid in the ordinary course of business.
6. The maintenance of cost records under section 148(1) of the Companies Act ,2013 has not been prescribed by the Central government for the Company since it is not manufacturing Company.
7. According to the information and explanations given to us, the 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 as applicable have generally been regularly deposited with appropriate authority except delay in few cases.

The disputed amount various statutory dues which have not been deposited are as

Under :

Name of the Statute	Nature of the dues	Rs. In lakhs	Period to which the amount relate	Forum where dispute is pending
Vat ACT 2005	Vat, Interest & Penalty	9.80	2007-08	Sales Tax PTA
Vat ACT 2005	Vat, Interest & Penalty	12.37	2006-07	Sales Tax PTA

8. No amount was lying with the company which was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
9. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and governments.
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. *In our opinion and according to information and explanation given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments).*
12. *During the course of our examination of books and records of the company, carried out in accordance with generally accepted audit practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed any such case by the Management.*
13. *According to the records of the Company examined by us and information and explanations given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the act.*
14. *In our opinion and according to the information and explanation given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.*
15. *According to the information and explanation given to us and based upon our examination of the records of the Company , transaction with the related parties are in compliance with section 177 and 188 of the Act and details of the such transactions have been disclosed in the standalone Ind AS financial statements are required by the applicable Indian Accounting Standards. Further refer to Notes 34 .*
16. *According to the records of the Company examined by us and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.*
17. *According to the records of the Company examined by us and information and explanations given to us, the Company has not entered into non cash transactions with directors or persons connected with him.*
18. *The Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.*
19. *Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS 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 Mohan Juneja & Co.

Chartered Accountants

Firm Registration No.020488N

CA Mohan Juneja

Proprietor

Membership number 099825

Chandigarh, 30 May 2019

Annexure A to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Hira Automobiles Limited, incorporated in India as at March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business , including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor (if any) of the company incorporated in India, in terms of their reports referred to in the other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company in India considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Mohan Juneja & Co.

Chartered Accountants

Firm Registration No.020488N

CA Mohan Juneja

Proprietor

Membership number 099825

Chandigarh, 30 May 2019

Hira Automobiles Limited

Balance Sheet as at 31st March 2019

(All amounts in Rupees, unless otherwise stated)

	<i>Notes</i>	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	174,819,565	153,295,253
Investment properties	4	5,778,780	5,778,780
Financial assets			
Investments	5	11,200	11,200
Loans	9	-	-
Other financial assets	10	6,590,718	6,092,860
Other non-current assets	11	-	-
		187,200,263	165,178,093
Current assets			
Inventories	12	487,327,686	457,283,954
Financial assets			
Trade receivables	6	222,695,835	191,652,438
Cash and cash equivalents	7	58,906,997	74,310,009
Bank balances other than cash and cash equivalents mentioned above	8	-	-
Other current assets	11	146,865,789	126,858,365
		915,796,307	850,104,766
TOTAL		1,102,996,570	1,015,282,859
Equity and liabilities			
Equity			
Equity share capital	13	27,534,400	27,534,400
Other equity	14	91,180,173	76,631,821
Total equity		118,714,573	104,166,221
Liabilities			
Non-current liabilities			
Provisions	15	12,933,407	16,424,027
Financial liabilities			
Borrowings	16	170,626,117	171,904,912
Deferred tax liability (net)	30	16,816,525	17,023,040
Other non-current liabilities	17	9,378,817	8,881,438
Total non-current liabilities		209,754,866	214,233,417
Current liabilities			
Financial liabilities			
Borrowings	16	730,152,471	655,829,571
Trade payables	18	10,655,725	10,831,632
Other financial liabilities	19	12,575,251	13,455,682
Provisions	15	10,506,633	8,918,235
Other current liabilities	17	10,637,052	7,848,101
Total current liabilities		774,527,131	696,883,221
Total liabilities		984,281,997	911,116,638
Total equity and liabilities		1,102,996,570	1,015,282,859
Significant accounting policies	2		
Notes to the financial statements	26-44		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

Mohan Juneja & Co.
Chartered Accountants
Firm Registration Number - 020488N

For and on behalf of the Board of Directors of
Hira Automobiles Limited
CIN NO: L50101CH1989PLC009500

CA Mohan Juneja

Proprieter
Membership No. 099825
Place: Chandigarh
Date: 30.05.2019

Rahulinder Singh Sidhu
Chairman and Managing Director
DIN: 00447452
Place: Chandigarh
Date: 30.05.2019

Neha Sidhu
Wholetime Director
DIN: 00460875
Place: Chandigarh
Date: 30.05.2019

Rajan Kaushal
Chief Finance Officer
Place: Chandigarh
Date: 30.05.2019

Hira Automobiles Limited

Statement of Profit and Loss for the year ended 31st March 2019

(All amounts in Rupees, unless otherwise stated)

	Notes	31 March 2019	31 March 2018
Continuing operations			
Revenue from operations	20	3,708,334,522	3,556,878,779
Other income	21	1,581,654	1,582,202
Total income		3,709,916,175	3,558,460,982
Expenses			
Cost of materials consumed	22	17,709,763	19,392,463
Purchases of stock-in-trade	23	3,355,557,482	3,254,970,599
Change in inventories of stock-in-trade	24	(30,043,738)	(55,407,023)
Employee benefit expense	25	148,948,334	144,255,213
Finance costs	26	80,840,965	71,688,968
Depreciation and amortisation expense	27	17,806,986	15,890,737
Other expenses	28	106,130,458	95,477,844
Total Expenses		3,696,950,249	3,546,268,800
Profit before exceptional items and tax		12,965,926	12,192,182
Exceptional items (Income)		5,052,386	-
Profit before tax		18,018,312	12,192,182
Current tax	30	3,676,476	4,829,988
Deferred tax credit		(206,515)	577,850
Excess/(short) provision of tax of earlier years (net)		-	2,763,822
Total tax expenses	30	3,469,960	8,171,661
Profit after tax		14,548,352	4,020,521
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Fair value of equity investments through OCI	44	-	-
Remeasurements of defined benefit liability (asset)		-	-
Income tax related to items that will not be reclassified to profit or loss		-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		-	-
Total comprehensive income for the year		-	-
Earnings per share	29		
- Basic		5.28	2.46
- Diluted		5.28	2.46
Significant accounting policies	2		
Notes to the financial statements	26-44		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

Mohan Juneja & Co.
Chartered Accountants
Firm Registration Number - 020488N

For and on behalf
Hira Automobiles Limited
CIN NO: L50101CH1989PLC009500

CA Mohan Juneja

Proprieter
Membership No. 099825

Rahulinder Singh Sidhu
Chairman and
Managing
Director
DIN: 00447452

Neha Sidhu
Wholetime Director
DIN: 00460875

Rajan Kaushal
Chief Finance
Officer

Place: Chandigarh
Date: 30.05.2019

Place: Chandigarh
Date: 30.05.2019

Place: Chandigarh
Date: 30.05.2019

Place: Chandigarh
Date: 30.05.2019

Hira Automobiles Limited

Cash Flow Statement for the year ended 31st March 2019

(All amounts in Rupees, unless otherwise stated)

	31 March 2019	31 March 2018
A. Cash flow from operating activities		
Profit before tax	18,018,312	12,192,182
Adjustments :		
Depreciation	17,806,986	15,890,737
Interest expense	80,840,965	71,688,968
Operating cash flow before working capital changes	116,666,262	87,579,705
Changes in working capital:		
Increase/ (decrease) in trade payables		653,524
(Decrease)/ increase in other liabilities		
Increase in other financial liabilities		
Increase/(decrease) in provisions		
Increase/ (decrease) in loans and advances		(48,293,783)
(Increase)/decrease in other assets		
(Increase)/decrease in other financial assets		
(Increase) in inventories	(30,043,732)	(45,198,933)
Decrease/(Increase) in trade receivables	(31,043,397)	(47,931,861)
Cash generated from operations	55,579,133	(40,999,166)
Income taxes paid (net of refunds and including tax deducted at source)		(4,514,685)
Previous Year Taxes (Net)	-	(400,683)
NET CASH FROM OPERATING ACTIVITIES (A)	55,579,133	(45,914,534)
B. Cash flow from investing activities		
Purchase of fixed assets (tangible and intangible assets, CWIP, intangible assets under development) and capital advance	-	(6,276,025)
Proceeds from sale of fixed assets	-	2,638,337
Sale(Purchase) of Investment	-	22,395,852
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	-	18,758,164
C. Cash flow from financing activities	11,657,257	-
Proceeds from Long Term Borrowing (Net)		22,944,669
Secured Loan	-	21,675,772
Unsecured Loan	-	(3,099,507)
Interest paid		-
		(57,075,164)
NET CASH (USED IN) FINANCING ACTIVITIES (C)	-	(38,498,899)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	55,579,133	(65,655,269)
Effect of foreign exchange fluctuation in cash and cash equivalents gain/(loss)	-	-
Cash and cash equivalents at the beginning of the year	(28,680,228)	36,975,041
Cash and cash equivalents at the end of the year	26,898,905	(28,680,228)

Notes to cash flow statement

Components of cash and cash equivalents	31 March 2019	31 March 2018
Cash on hand	5,464,831	6,034,882
Balance with banks:		
In current accounts	34,926,807	25,919,390
Deposit with original maturity of less than three months	9,657,335	19,922,029
Gold coins	412,472	295,472
Cheques on hand	8,445,552	22,138,237
Total cash and cash equivalents (Refer note 9)	58,906,997	74,310,009

Hira Automobiles Limited

Cash Flow Statement for the year ended 31st March 2019

(All amounts in Rupees, unless otherwise stated)

Total taxes paid	31 March 2019	31 March 2018
Income tax paid on operating activities		
Interest paid on income tax		
Total tax paid on operating activities (A)	-	-
Income tax on gain on sale of discontinued operation (B)		
Income tax on gain on sale of business (C)		
Total tax paid (A+B+C)	-	-

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

Mohan Juneja & Co.
Chartered Accountants
Firm Registration Number - 020488N

For and on behalf of the Board of Directors of
Hira Automobiles Limited
CIN NO: L50101CH1989PLC009500

CA Mohan Juneja

CA Mohan Juneja
Membership No. 099825

Place: Chandigarh
Date: 30.05.2019

**Rahulinder
Singh Sidhu**

*Chairman and
Managing
Director*

DIN: 00447452

Place: Chandigarh
Date: 30.05.2019

Neha Sidhu

Wholetime Director

DIN: 00460875

Place: Chandigarh
Date: 30.05.2019

Rajan Kaushal

*Chief Finance
Officer*

Place: Chandigarh
Date: 30.05.2019

Hira Automobiles Limited

Statement of Changes in Equity for the year ended 31st March 2019

(All amounts in Rupees, unless otherwise stated)

a	Equity share capital	Notes					31 March 2019
	Equity share capital						
	Balance as at 1 April 2016						27,534,400
	Changes in equity share capital during 2016-17						-
	Balance as at the 31 March 2017						27,534,400
	Changes in equity share capital during 2017-18						-
	Balance as at 31 March 2018	13					27,534,400
b	Other equity	Notes	Reserves and surplus		Items of OCI		Total
			General reserve	Retained earnings	Equity instrument through OCI	Other items of OCI	
	Balance at 1 April 2017		7,236,750	65,801,891	-	-	73,038,641
	Add : Arising on employee share based payment	14A.	-	-	-	-	-
	Total comprehensive income for the year ended 31 March 2017						
	Profit or loss	14A.	-	4,020,521	-	-	4,020,521
	Other comprehensive income (net of tax)	14B.	-	(427,342)	-	-	(427,342)
	Total comprehensive income		-	3,593,180	-	-	3,593,180
	Balance at 31 March 2018		7,236,750	69,395,071	-	-	76,631,821
	Balance at 1 April 2018		7,236,750	69,395,071	-	-	76,631,821
	Add : Arising on employee share based payment	14A.	-	-	-	-	-
	Total comprehensive income for the year ended 31 March 2019						
	Profit or loss	14A.	-	14,548,352	-	-	14,548,352
	Other comprehensive income (net of tax)	14B.	-	-	-	-	-
	Total comprehensive income		-	14,548,352	-	-	14,548,352
	Balance at 31 March 2019		7,236,750	83,943,423	-	-	91,180,173

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

3 Property, plant and equipment

Reconciliation of carrying amount

	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Computers	Software	Total
Deemed cost (gross carrying amount)								
As at 1 April 2017	62,325,523	44,876,364	1,300,405	10,910,855	28,935,688	1,782,421	620,803	150,752,059
Additions	358,536	2,674,869	1,365,314	707,705	17,564,010	2,238,630	-	24,909,064
Disposals	-	-	-	-	9,667,286	-	-	9,667,286
As at 31 March 2018	62,684,059	47,551,233	2,665,719	11,618,560	36,832,412	4,021,051	620,803	165,993,837
As at 1 April 2018	62,684,059	47,551,233	2,665,719	11,618,560	36,832,412	4,021,051	620,803	165,993,837
Additions	14,042,589	3,258,373	1,615,309	8,998,661	14,182,815	789,776	-	42,887,523
Disposals	-	-	-	-	9,788,440	-	-	9,788,440
As at 31 March 2019	76,726,648	50,809,606	4,281,028	20,617,221	41,226,787	4,810,827	620,803	199,092,920
Depreciation								
As at 1 April 2017								-
Charge for the year	1,917,443	4,429,127	658,170	1,994,374	5,818,132	925,072	148,420	15,890,738
Depreciation on disposals	-	-	-	-	3,192,153	-	-	3,192,153
As at 31 March 2018	1,917,443	4,429,127	658,170	1,994,374	2,625,979	925,072	148,420	12,698,585
As at 1 April 2018	1,917,443	4,429,127	658,170	1,994,374	2,625,979	925,072	148,420	12,698,585
Charge for the year*	1,988,040	4,612,743	783,026	2,359,661	6,561,351	1,357,515	144,651	17,806,987
Depreciation on disposals	-	-	-	-	6,232,217	-	-	6,232,217
As at 31 March 2019	3,905,483	9,041,870	1,441,196	4,354,035	2,955,113	2,282,587	293,071	24,273,355
Carrying amount (net)								
As at 1 April 2017	62,325,523	44,876,364	1,300,405	10,910,855	28,935,688	1,782,421	620,803	150,752,059
As at 31 March 2018	60,766,616	43,122,106	2,007,549	9,624,186	34,206,433	3,095,979	472,383	153,295,252
As at 31 March 2019	72,821,165	41,767,737	2,839,832	16,263,186	38,271,675	2,528,240	327,732	174,819,565

4 Investment property

31 March 2019	31 March 2018	01 April 2017
5,778,780	5,778,780	5,778,780

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

5	Investments	31 March 2019	31 March 2018
A	Non-current investment		
	Quoted equity instruments		
	200 equity shares of Rs. 31 each (31 March, 2017 and 01 April, 2016 200 shares)	6,200	6,200
	Unquoted equity instruments		
	500 equity shares of Rs. 10 Each (31 March, 2017 and 01 April, 2016 500 Shares)	5,000	5,000
		11,200	11,200
	Aggregate value of unquoted investments	5,000	5,000
6	Trade Receivables	31 March 2019	31 March 2018
	<i>(Unsecured, considered good unless otherwise stated)</i>		
	Trade Receivables		
	Unsecured, considered good	222,695,835	191,652,438
	Considered doubtful	-	-
		222,695,835	191,652,438
	Loss allowance		
	Unsecured, considered good	-	-
	Considered doubtful	-	-
		222,695,835	191,652,438
	Net trade receivables	222,695,835	191,652,438
	Non-current	-	-
	Current	222,695,835	191,652,438
		222,695,835	191,652,438
	Of the above, trade receivables from related parties are as below:		
		31 March 2019	31 March 2018
	Total trade receivables from related parties		
	Loss allowance	-	-
	Net trade receivables	-	-
	*All transaction with these related parties are priced on an arm's length basis and resulting outstanding balances are to be settled in cash within six months of the reporting date.		
	The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 36		
7	Cash and cash equivalents	31 March 2019	31 March 2018
	Cash and Cash equivalents		
	Balance with banks:		
	In current accounts	34,926,807	25,919,390
	Deposits with original maturity of less than three months	9,657,335	19,922,029
	Gold Coins	412,472	295,472
	Cash on hand	5,464,831	6,034,882
	Cheques on hand	8,445,552	22,138,237
		58,906,997	74,310,009
8	Bank balances other than cash and cash equivalents mentioned above		
	Deposits with original maturity of more than 3 months and remaining maturity of less than 12 months	-	-
		-	-

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Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

9 Loans

(Unsecured, considered good unless otherwise stated)

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Inter corporate deposits to related parties (Refer note 34)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

10 Other financial assets

(Unsecured, considered good unless otherwise stated)

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Security deposits	6,590,718	6,092,860	-	-
Long term deposits with banks with remaining maturity period more than 12 months	-	-	-	-
Interest accrued on bank deposits	-	-	-	-
	<u>6,590,718</u>	<u>6,092,860</u>	<u>-</u>	<u>-</u>

11 Other assets

(Unsecured, considered good unless otherwise stated)

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Capital advances	-	-	-	-
Prepaid expenses	-	-	2,100,215	1,450,271
Advance to suppliers	-	-	89,674,260	73,683,705
Balances with government authorities	-	-	12,248,682	19,356,562
Other advances	-	-	42,842,632	32,367,827
- Considered doubtful				
Balances with government authorities	-	-	-	-
Less: Allowance for doubtful other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>146,865,789</u>	<u>126,858,365</u>

12 Inventories (valued at lower of cost and net realizable value)

	31 March 2019	31 March 2018
Stock-in-trade [including goods in transit (2018: INR , 2017: INR , 2016: INR)]	444,735,166	408,623,471
Stores, spares and loose tools [including goods in transit (2018: INR , 2017: INR , 2016: INR)]	42,592,520	48,660,483
	<u>487,327,686</u>	<u>457,283,954</u>

13 Equity share capital

	31 March 2019	31 March 2018
Authorised:		
6000000 ((31 March 2017 & 01 April 2016 : 6000000) equity shares of Rs.10 each	60,000,000	60,000,000
Issued, subscribed and paid up		
2753440 ((31 March 2017 & 01 April 2016 : 2753440) equity shares of Rs.10 each	27,534,400	27,534,400

a. Reconciliation of number of shares

	31 March 2019		31 March 2018	01 April 2017
	Number	Amount	Amount	Number
Equity shares at the commencement and at the end of the year	2,753,440	27,534,400	27,534,400	2,753,440
Add: Shares issued during the year	-	-	-	-
	<u>2,753,440</u>	<u>27,534,400</u>	<u>27,534,400</u>	<u>2,753,440</u>

b. Terms/rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

c. Particulars of shareholders holding more than 5% shares of a class of shares

	31 March 2019		31 March 2018		01 April 2017	
	Number	% holding in the class	Number	% holding in the class	Number	% holding in the class
Equity shares of Rs.10 each fully paid up by:						
Rajinder Kaur Bhattal	826,000	30.00%	826,000	30.00%	826,000	30.00%
Kuldeep Singh Bhattal	272,100	9.88%	272,100	9.88%	272,100	9.88%
Rahul Sidhu	270,000	9.81%	270,000	9.81%	270,000	9.81%
Simran Bajwa	265,000	9.62%	265,000	9.62%	265,000	9.62%
Manjeet Kaur Sangha	862,900	31.34%	862,900	31.34%	862,900	31.34%

14 Other equity

Refer Statement of Changes in Equity for detailed movement in Equity balance.

A. Summary of other equity balance

	Note	31 March 2019	31 March 2018	01 April 2017
(i) General reserve				
At the commencement and at the end of the year		7,236,750	7,236,750	7,236,750
Add: Transferred from Surplus in Statement of Profit and loss during the year		-	-	-
		<u>7,236,750</u>	<u>7,236,750</u>	<u>7,236,750</u>
(ii) Retained earnings:				
Profit and loss balance				
At the commencement of the year		69,395,071	65,801,891	57,829,239
Add: Profit for the year		14,548,352	4,020,521	-
Add: Adjustments on account of Ind AS		-	-	-
Less: Appropriations		-	-	-
Transfer to General reserve		-	-	-
Less: Adjustments on account of Ind AS		-	427,342	-
Closing balance		<u>83,943,423</u>	<u>69,395,071</u>	<u>57,829,239</u>
(iii) ESOP reserve		-	-	-
(iv) Other items of OCI				
- Equity instrument through OCI	C	-	-	-
- Remeasurements of defined benefit plans	C	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
Total other equity		<u>91,180,173</u>	<u>76,631,821</u>	<u>65,065,989</u>

B. Other comprehensive income accumulated in other equity, net of tax

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

	Equity instrument through OCI	Remeasurements of defined benefit plans	Total
As at 1st April, 2016			-
Equity instrument through OCI - net change in fair value	-	-	-
Remeasurement gain/(loss) on defined benefit plans	-	-	-
Deferred tax charge / (credit) on remeasurement gain/(loss) on defined benefit plans	-	-	-
As at 31st March 2017	<u>-</u>	<u>-</u>	<u>-</u>
Equity instrument through OCI - net change in fair value	-	-	-
Remeasurement gain/(loss) on defined benefit plans	-	-	-
Deferred tax charge / (credit) on remeasurement gain/(loss) on defined benefit plans	-	-	-
As at 31st March, 2018	<u>-</u>	<u>-</u>	<u>-</u>

C. Nature and purpose of reserves

(a) Equity instrument through OCI: The company recognises changes in the fair value of investment in equity securities in other comprehensive income.

(b) Remeasurements of defined benefit plans: Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

D. Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company's objectives when managing capital are:

- The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders.
- Maintain an optimal capital structure to reduce the cost of capital

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

15 Provisions

	Non-current		Current	
	31 March 2019	31 March 2018 ¹	31 March 2019	31 March 2018 ¹
Provision for employee benefits				
Gratuity (Refer note 24)	12,933,407	16,424,027	-	-
Others	-	-	10,506,633	8,918,235
	12,933,407	16,424,027	10,506,633	8,918,235

16 Borrowings

	Non-current		Current	
	31 March 2019	31 March 2018 ¹	31 March 2019	31 March 2018 ¹
Term loans				
From banks				
Secured loans	84,786,719	73,129,462	730,152,471	655,829,571
Unsecured loans	85,839,398	98,775,450	-	-
	170,626,117	171,904,912	730,152,471	655,829,571

17 Other liabilities

	Non-current		Current	
	31 March 2019	31 March 2018 ¹	31 March 2019	31 March 2018 ¹
Security from Employees	9,378,817	8,881,438	-	-
Advance from customers	-	-	213,308	346,227
Statutory dues payable	-	-	4,702,312	1,491,232
Other payable	-	-	5,721,432	6,010,642
	9,378,817	8,881,438	10,637,052	7,848,101

18 Trade payables

	31 March 2019	31 March 2018 ¹
Trade payables		
- Total outstanding dues of micro and small enterprises	-	-
- Total outstanding dues of creditors other than micro and small enterprises	10,655,725	10,831,632
As per the MSMED Act and to the extent of the information available with the Company there is no outstanding or any interest due to Micro and		
	10,655,725	10,831,632
Of the above, trade payables from related parties are as below:		
Total trade payables from related parties	-	-
	-	-

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 36

19 Other financial liabilities

	31 March 2019	31 March 2018 ¹
Current maturities of long term debts	12,575,251	13,455,682
Employee benefits payable	-	-
	12,575,251	13,455,682

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Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

20	Revenue from operations	31 March 2019	31 March 2018
	Sale of products		
	Traded goods	3,445,573,760	3,322,476,890
		<u>3,445,573,760</u>	<u>3,322,476,890</u>
	Sales of services	148,967,663	116,706,913
	Other operating revenue	113,793,099	117,694,976
	Total	<u><u>3,708,334,522</u></u>	<u><u>3,556,878,779</u></u>
21	Other income	31 March 2019	31 March 2018
	Interest income		
	- on bank deposits	1,482,957	1,821,588
	- others -as per Ind AS	(621,951)	(484,388)
	Unwinding of discount on security deposits		
	Profit on sale of fixed assets	-	167,635
	Miscellaneous income	720,647	77,367
		<u>1,581,654</u>	<u>1,582,202</u>
22	Cost of materials consumed	31 March 2019	31 March 2018
	Inventory of materials at the beginning of the year	-	-
	Purchases	17,709,763	19,392,463
		<u>17,709,763</u>	<u>19,392,463</u>
	Inventory of materials at the end of the year	-	-
	Cost of raw materials consumed	<u>17,709,763</u>	<u>19,392,463</u>
23	Purchases of stock-in-trade	3,355,557,482	3,254,970,599
24	Change in inventory of finished goods and stock-in-trade	31 March 2019	31 March 2018
	Inventories at the end of the year		
	Trading goods	487,327,685	457,283,954
		<u>487,327,685</u>	<u>457,283,954</u>
	Inventories at the beginning of the year		
	Trading goods	457,283,947	401,876,931
		<u>457,283,947</u>	<u>401,876,931</u>
		<u><u>(30,043,738)</u></u>	<u><u>(55,407,023)</u></u>
25	Employee benefits expense	31 March 2019	31 March 2018
	Salaries, wages and bonus	129,682,278	125,067,015
	Contributions to provident and other funds [Refer note 24 (i) below]	12,021,168	11,836,285
	Gratuity expense [Refer note 24 (i) below]	1,561,766	1,744,210
	Staff welfare expenses	5,683,122	5,607,703
		<u>148,948,334</u>	<u>144,255,213</u>
26	Finance costs	31 March 2019	31 March 2018
	Interest	75,485,122	66,772,593
	Bank charges	5,355,843	4,916,375
		<u>80,840,965</u>	<u>71,688,968</u>
27	Depreciation and amortisation expense	31 March 2019	31 March 2018
	Depreciation on tangible assets	17,806,986	15,890,737
		<u>17,806,986</u>	<u>15,890,737</u>

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Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

28 Other expenses	31 March 2019	31 March 2018
Power and fuel	11,590,084	9,518,455
Forwarding, freight and packing	379,492	253,816
Rent	855,077	561,996
Repairs and maintenance of Building	5,632,029	4,913,635
Insurance	1,719,868	2,025,314
Rates and taxes	9,505,326	9,478,942
Travel and conveyance	9,109,379	8,520,113
Communication expenses	2,542,970	3,196,580
Legal and professional charges	4,752,992	3,326,572
Payment to auditors (Refer note below)	751,047	1,188,465
Commission	25,448	1,015,978
Accessories Expenses	162,201	305,699
News Paper & Periodicals	80,816	79,940
Festival Expenses	1,262,067	1,159,061
Business Entertainment	232,711	211,563
Donation	7,550	30,760
Courier	85,213	153,615
Discounts	14,648,022	12,954,771
Customer welfare	2,838,613	2,281,076
Demo Expenses & PDI Expenses	4,729,031	4,532,460
Sales Promotion	8,014,321	7,577,882
Printing and Stationery	1,988,525	2,148,837
Product advertisement	551,903	391,728
Software expenses	915,051	1,183,794
General Expenses	1,350,050	274,269
Sub - Contract / Temp. Services	797,708	2,690,517
Other expenses	889,196	414,292
MDS Expenses	451,580	307,353
Workshop Expenses	4,449,339	4,730,148
Pool Cancellation and lifting charges	-	96,863
Security Charges	1,047,890	1,086,365
Free service charges	6,903,667	5,562,756
True Value Expenses	5,376,003	3,304,229
autocard	2,485,290	
	106,130,458	95,477,844

Note: Payment to auditors

	31 March 2019	31 March 2018
As auditor		
- Statutory audit	150,000	100,000
- Tax audit	50,000	50,000
	200,000	150,000

29 Earnings per share (EPS)	31 March 2019	31 March 2018
Profit for the year, attributable to the equity holders	14,548,352	6,784,343
Weighted average number of equity shares outstanding during the current period for calculation of basic and diluted EPS	2,753,440	2,753,440
Earnings per share		
a) Basic earning per share	5.28	2.46
b) Diluted earning per share	5.28	2.46

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued) (All amounts in Rupees, unless otherwise stated)

30 Income tax

See accounting policy in Note 2

A. Amounts recognised in profit or loss

	31 March 2019	31 March 2018
Continuing operations		
Current tax	3,676,476	4,829,988
Changes in estimates related to prior years (b)	-	2,763,822
Deferred tax	(206,515)	577,850
Reduction in tax rate	-	-
Change in unrecognised deductible temporary differences	-	-
Recognition of previously unrecognised tax losses	-	-
Tax expense of continuing operations	3,469,960	8,171,661
Discontinued operations		
Current tax	-	-
Deferred tax	-	-
Tax expense of discontinued operations	-	-
Tax expenses of continuing operation (a)+(b)+(c)	3,469,960	8,171,661

B. Income tax recognised in other comprehensive income

	31 March 2017			31 March 2016		
	Before Tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
Fair value of equity investments through OCI	-	-	-	-	-	-
Remeasurements of defined benefit liability (asset)	-	-	-	-	-	-

C. Reconciliation of effective tax rate and reconciliation of tax expense and accounting profit multiplied by India's tax rate

	31 March 2018		31 March 2017	
	Rate	Amount	Rate	Amount
Profit before tax		13,569,511		11,304,496
Tax using the Company's domestic tax rate [□]	33.06%	4,486,487	33.06%	3,737,606
Effect of:				
Tax deducted in foreign countries charged off	0.00%	-	0.00%	-
Share of profit of equity accounted investees	0.00%	-	0.00%	-
Higher tax rate on gain on sale of discontinued operation	0.00%	-	0.00%	-
Reduction in tax rate	0.00%	-	0.00%	-
Non-deductible expenses	0.00%	-	0.00%	-
Differential tax impact due to lower rate of long term capital gain	0.00%	-	0.00%	-
Excess/(short) tax of earlier years (net)	0.00%	-	0.00%	-
Others	0.00%	-	0.00%	-
Recognition of previously unrecognised tax losses [13(H)]	0.00%	-	0.00%	-
Current year losses for which no deferred tax asset was recognised	0.00%	-	0.00%	-
Change in unrecognised temporary differences	0.00%	-	0.00%	-
Effective tax rate	33.06%	4,486,487	33.06%	3,737,606

D. Income tax assets (net)

	31 March 2019	31 March 2018	01 April 2017
Advance income tax (net) and tax deducted at source	-	-	-
Deposits with Income Tax Authorities #	-	-	-

Amounts paid to Income Tax Authorities under protest, pending appeal

E. Recognised deferred tax assets and liabilities[□]

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)			Net deferred tax (assets) liabilities		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Property, plant and equipment	16,816,525	17,231,037	16,626,384	16,816,525	17,023,040	16,626,384
Intangible assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
Investments at fair value through profit or loss	-	-	-	-	-	-
Investments at fair value through OCI	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Equity settled share-based payment transactions	-	-	-	-	-	-
Provisions - employee benefits	-	-	-	-	-	-
Provisions for warranty	-	-	-	-	-	-
Differences on account of Section 43B/Section 40	-	-	-	-	-	-
(a)(ia) of Income tax Act, 1961	-	-	-	-	-	-
Other items	-	-	-	-	-	-
Deferred tax (assets) liabilities	16,816,525	17,231,037	16,626,384	16,816,525	17,023,040	16,626,384
Offsetting of deferred tax assets	-	-	-	-	-	-
Net deferred tax (assets) liabilities	16,816,525	17,231,037	16,626,384	16,816,525	17,023,040	16,626,384

E. Recognised deferred tax assets and liabilities (continued)

Movement in temporary differences

	Balance as at 1 April 2016	Recognised in profit or loss during 2016-17	Recognised in OCI during 2016-17	Balance as at 31 March 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	Balance as at 31 March 2018
Property, plant and equipment	16,626,384	604,653	-	17,231,037	(414,512)	-	16,816,525
Provisions - employee benefits	-	-	-	-	-	-	-
Provisions for warranty	-	-	-	-	-	-	-
Differences on account of Section 43B/Section 40 (a)(ia) of Income tax Act, 1961	-	-	-	-	-	-	-
Investments at fair value through OCI	-	-	-	-	-	-	-
Less: Allowance for deferred tax on fair valuation of investment through OCI (Refer note below)	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-
	16,626,384	604,653	-	17,231,037	(414,512)	-	16,816,525

Note The Company has recognised the deferred tax asset on difference between the carrying amount of investment as per the statutory books of account and tax books. The difference originates because of the fair valuation of investment in statutory books but, in tax books an investment is carried at acquisition cost. The Company has recognised the deferred tax asset @ 23.07% which is a rate equivalent to the effective long term capital gain tax for the Company. In absence of reasonable certainty to generate the sufficient long term capital gain in future the Company has made an equal amount of allowance towards the total deferred tax asset recognised as at date.

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

31 Capital and other commitments

	31 March 2019	31 March 2018	00-Jan-00
a) Capital commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)			
b) Other commitments			
Lease commitments (Refer note 32)	-	-	-

32 Contingent liabilities

	31 March 2019	31 March 2018	01 April 2017
a Claim against the Company not acknowledged as debts			
Income tax matters pending in appeal (excluding interest and penalties)			
Service tax matters pending in appeal			

33 Operating leases

A Leases as lessee

The Company has entered into operating lease arrangements for office space for six to nine years and computer related equipment's for a initial period of 3 years. Certain lease arrangements contain a clause for renewal of the lease agreement and the others are supported by letters from the lessor for renewal options. Certain lease agreements contain escalation clauses.

Lease rent on operating lease arrangements debited to the Statement of Profit and Loss and the future minimum lease payments in respect of non-cancellable operating leases are summarised below:

	31 March 2019	31 March 2018
Lease payments debited to the Statement of Profit and Loss	855,077	561,996
Future minimum lease payments in respect of non cancellable leases		
- amounts due within one year from the date of balance sheet	-	-
- amounts due in the period between one year and five years	-	-
- amounts due after five years	-	-
	-	-

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

34 Related party disclosures	31 March 2019	31 March 2018
a) Parent and ultimate controlling party		
Ultimate holding company	NA	NA
Holding Company	NA	NA
Associate Company	NA	NA
b) Other related parties with whom transactions have taken place during the year:		
Fellow Subsidiaries	NA	NA
c) Key management personnel		
Related party transactions other than those with KMP	NA	NA
d) Transactions with Ultimate holding company	NA	NA
e) Transactions with fellow subsidiaries during the year have been set out below:	NA	NA
f) Transactions with key management personnel are set out below:		
Remuneration		
Rahulinder Singh Sidhu	1,260,000	1,260,000
Neha Sidhu	840,000	840,000
	2,100,000	2,100,000
Interest Paid		
Rahulinder Singh Sidhu	5,503,710	5,552,600
g) Unsecured Loans received		
Rahulinder Singh Sidhu	49,274,114	62,113,092
i) Seating Fees Paid During the Year	0	0
g) Transactions with fellow subsidiaries comprising more than 10% of the total transaction:		
Software revenue during the year	-	-
Revenue from Support Services	-	-
Sales made during the year	-	-
Sale of fixed assets during the year	-	-
Purchases made during the year	-	-
Purchase of fixed assets during the year	-	-
Software expenses during the year	-	-
Payment of annual maintenance charges	-	-
Commission income accrued during the year	-	-
Expenses backcharged during the year	-	-
Expenses backcharged during the year by fellow subsidiaries	-	-
Unbilled revenue as at year end	-	-
Reimbursements of travelling, other expenses and assets backcharged	-	-

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

34 Related party disclosures (Continued)

	31 March 2019	31 March 2018
g) Transactions with fellow subsidiaries comprising more than 10% of the total transaction (Continued):		
Software expenses during the year	-	-
Inter-corporate deposits given during the year		
Inter-corporate deposits repaid during the year	-	-
Rent Received	-	-
Interest received on Inter- corporate deposits	-	-
Other receivables as at year end	-	-
Payable to creditors as at year end	-	-
Receivables as at year end	-	-
Loans and advances to related parties		
Inter-corporate deposits outstanding at year end		

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

35 Financial Instruments

Refer Note 2 for accounting policy on Financial Instruments.

A. Accounting Classifications And Fair Values

The carrying amounts and fair values of financial instruments by class are as follows:

	Note	Carrying amount	Fair value			
		31 March 2019	Level 1	Level 2	Level 3	Total
Financial Assets						
Financial assets measured at fair value						
Investments measured at fair value	5	11,200				-
Financial assets measured at amortised cost						
Trade Receivables	6	222,695,835				
Cash and cash equivalents	7	58,906,997				
Bank balances other than cash and cash equivalents mentioned above	8	-				
Loans	9	-				
Security deposits	10	6,590,718				
Long term deposits with banks with remaining maturity period more than 12 months	10	-				
Interest accrued on bank deposits	10	-				
		<u>288,204,750</u>				
Financial Liabilities						
Financial liabilities measured at amortised cost						
Trade payables	18	10,655,725				
Other financial liabilities	19	12,575,251				
		<u>23,230,976</u>				
Carrying amount						
	Note	31 March 2018	Fair value			
			Level 1	Level 2	Level 3	Total
Financial Assets						
Financial assets measured at fair value						
Investments measured at fair value	5	11,200				-
Financial assets measured at amortised cost						
Trade Receivables	6	191,652,438				
Cash and cash equivalents	7	74,310,009				
Bank balances other than cash and cash equivalents mentioned above	8	-				
Loans	9	-				
Security deposits	10	6,092,860				
Long term deposits with banks with remaining maturity period more than 12 months	10	-				
Unbilled revenue	10	-				
Interest accrued on bank deposits	10	-				
		<u>272,066,507</u>				
Financial Liabilities						
Financial liabilities measured at amortised cost						
Trade payables	18	10,831,632				
Other financial liabilities	19	13,455,682				
		<u>24,287,314</u>				
Carrying amount						
	Note	01 April 2017	Fair value			
			Level 1	Level 2	Level 3	Total
Financial Assets						
Financial assets measured at fair value						
Investments measured at fair value	5	11,200				-
Financial assets measured at amortised cost						
Trade Receivables	6	143,720,577				
Cash and cash equivalents	7	36,975,041				
Bank balances other than cash and cash equivalents mentioned above	8	-				
Loans	9	-				
Security deposits	10	5,477,611				
Long term deposits with banks with remaining maturity period more than 12 months	10	-				
Unbilled revenue	10	-				
Interest accrued on bank deposits	10	-				
		<u>186,184,429</u>				
Financial Liabilities						
Financial liabilities measured at amortised cost						
Trade payables	18	3,572,692				
Other financial liabilities	19	8,804,734				
		<u>12,377,426</u>				

The Company has disclosed financial instruments such as trade receivables, cash and cash equivalents, loans, security deposits, long term deposits with banks with remaining maturity period more than 12 months, unbilled revenue, interest accrued on bank deposits, trade payables and payables on account of capital purchases at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

35 Financial Instruments (continued)

B. Measurement of fair values

(i) Financial Instruments - fair value and risk management

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximises the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of the significant input is not based on observable market data, the instrument is included in level 3. Accordingly, investment in unquoted equity shares have been considered as level 3 financial instrument.

(ii) Valuation techniques

Specific valuation techniques used to value the financial instruments include:

- The deposits are initially measured at fair value and subsequently at amortised cost using effective interest rate method. Effective interest rate is a market interest rate similar to deposits it placed with bankers.
- Investment in equity shares have been valued using discounted cash flow (DCF) method under 'Income' Approach method of valuation.

(iii) Valuation process

The finance team performs the valuation of financial assets and financial liabilities required for financial reporting purposes. The results are reviewed by Director Finance.

(iv) Valuation technique for significant unobservable input

The following table shows the valuation technique used in measuring level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Investment in securities	Equity Discounted cash flow method under 'Income' approach of method of valuation	- Forecast of annual revenue growth rate (31 March 2019- 4 to 10%) - Forecast EBITDA margin (31 March 2019- 6 to 11%) - Discount rate (31 March 2019- 13.30%)	- The estimated fair value would increase (decrease) if : - the annual revenue growth rate were higher/ (lower) - the EBITDA margin were higher/ (lower) - the discount rate were higher (lower) Generally, a change in the annual revenue growth rate is accompanied by a directionally similar change in EBITDA margins.

(v) Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Note	FVOCI Equity securities
Balance at 1 April 2017		-
Loss included in OCI		
- Net change in fair value (unrealised)		-
Balance at 31 March 2018		-
Balance at 1 April 2016		-
Loss included in OCI		
- Net change in fair value (unrealised)		-
Balance at 31 March 2019		-

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

36 Financial Risk Management

i Risk management framework

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also reviewed by the senior management of the Company. The note explains the sources of risk to which the Company is exposed to and how the entity manages the risk.

ii Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from Company's receivables from customers and loans

Trade receivables

Concentration of credit risk with respect to trade receivables are limited, due to majority of its customers being group companies. The value of third party trade receivables is not material and further there was no material impairment observed in the past years. Considering the historical experience of collecting receivables we do not foresee credit risk for such trade receivables. Hence, the company has is not applied expected credit loss model for valuing such third party trade receivables.

Cash and cash equivalent

Credit risk on cash and cash equivalent is limited as the company generally invests in term deposits with banks with higher credit rating. Investment primarily includes certificates of deposit which are funds deposited at bank for lesser than three months of maturity hence, there is lesser exposure to credit risk

Other financial assets

The Company has other financial assets such as security deposits, unbilled revenue, loans and advance to related parties and intercorporate deposits. Loans and advances and intercorporate deposits are placed with Hira group companies and hence, the Company does not foresee any credit risk for such class of assets. In respect of security deposits, considering historical trend there have been no instances of any defaults with receipts of security deposits placed with third parties, hence no provision for impairment is made for the same.

The Company's maximum exposure to credit risk as at 31 March 2018, 31 March 2017 and 1 April 2016 is the carrying value of each class of financial assets.

iii Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due. The Company believe that the working capital is sufficient to meets its current obligations. Accordingly, no liquidity risk is perceived.

Any amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and excess, if any, is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

	Carrying amount	Less than 6 months	Total
As at 31st March, 2019			
Non-derivative liabilities			
Trade payables	10,655,725	10,655,725	10,655,725
Other financial liabilities	12,575,251	12,575,251	12,575,251
As at 31st March, 2018			
Non-derivative liabilities			
Trade payables	10,831,632	10,831,632	10,831,632
Other financial liabilities	13,455,682	13,455,682	13,455,682
As at 1st April, 2017			
Non-derivative liabilities			
Trade payables	4,556,938	4,556,938	4,556,938
Other financial liabilities	11,036,673	11,036,673	11,036,673

As at 31 March 2019, the company has working capital of INR 14,12,69,177 and as of 31 March 2018 of INR 15,32,21,546. The working capital of the company for this purpose has been derived as follow:

	31 March 2019	31 March 2018
Total current assets (A)	915,796,307	850,104,766
Total current liabilities (B)	774,527,131	696,883,221
Working capital (A - B)	141,269,176	153,221,545

The working capital calculated above includes cash and cash equivalent of INR 5,89,06,997 (31 March 2018 INR 7,43,10,009) and term deposits with banks of INR NIL (31 March 2019 INR NIL)

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

37 Explanation of transition to Ind AS

As stated in Note 2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 2 have been applied in preparing these financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2015.

In preparing its Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

A Optional exemptions availed

1 Property plant and equipment, intangible assets and investment properties

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
- (ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
 - fair value;
 - or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

- (iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also. The Company does not expect any material decommissioning liability which will require any adjustment to carrying amount.

2 Share base payment

As per IndAS 101, the Company has the option but is not required to apply IndAS 102 - Share-based Payment to equity instruments that vested before the date of transition to IndAS. Accordingly, the Company has applied IndAS 102 to those equity instruments which are unvested as at transition date.

3 Designation of previously recognised financial instrument

IndAS 101 permits an entity to designate particular equity instruments (other than equity investments in subsidiaries, associates and joint arrangements) as at fair value through other comprehensive income (OCI). The Company has opted to avail this exemption to designate equity investment as FVOCI on the date of transition.

B. Mandatory exceptions

1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVOCI.
- Determination of the discounted value for financial instruments carried at amortised cost.

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

37 Explanation of transition to Ind AS (Continued)

2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

3 Reconciliation of equity

	Note	As at date of transition 1 April 2018			As at 31 March 2019		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Assets							
Non-current assets							
Property, plant and equipment		153,295,253	-	153,295,253	174,819,565	-	174,819,565
Investment properties		5,778,780	-	5,778,780	5,778,780	-	5,778,780
Financial assets							
Investments		11,200	-	11,200	11,200	-	11,200
Loans		-	-	-	-	-	-
Other financial assets	i	5,972,492	120,368	6,092,860	6,429,560	161,158	6,590,718
Deferred tax assets (net)	iii	-	-	-	-	-	-
Income tax assets (net)		-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-
Total non-current assets		165,057,725	120,368	165,178,093	187,039,105	161,158	187,200,263
Current assets							
Inventories		457,283,954	-	457,283,954	401,876,931	-	487,327,686
Financial assets							
Trade receivables		191,652,438	-	191,652,438	166,782,353	-	222,695,835
Cash and cash equivalents		74,310,009	-	74,310,009	37,530,519	-	58,906,997
Bank balances other than cash and cash equivalents mentioned above		-	-	-	-	-	-
Loans		-	-	-	-	-	-
Other financial assets		-	-	-	-	-	-
Other current assets	i	126,760,967	97,398	126,858,365	146,993,299	(127,510)	146,865,789
Total current assets		850,007,369	97,398	850,104,766	753,183,102	(127,510)	915,796,307
Total assets		1,015,065,093	217,766	1,015,282,859	940,222,207	33,648	1,102,996,570
Equity and liabilities							
Equity							
Equity share capital		27,534,400	-	27,534,400	27,534,400	-	27,534,400
Other equity	ix	75,610,143	1,021,678	76,631,821	69,485,503	12,845	91,180,173
Total equity		103,144,543	1,021,678	104,166,221	97,019,903	12,845	118,714,573
Liabilities							
Non-current liabilities							
Financial Liabilities							
Provisions		16,424,027	-	16,424,027	12,933,407	-	12,933,407
Financial liabilities							
Borrowings		172,708,824	(803,912)	171,904,912	170,605,314	20,803	170,626,117
Deferred tax liability (net)		17,023,040	-	17,023,040	16,816,525	(0.00)	16,816,525
Other non-current liabilities	ii	8,881,438	-	8,881,438	9,378,817	-	9,378,817
Total non-current liabilities		215,037,329	(803,912)	214,233,417	209,734,063	20,803	209,754,866
Current liabilities							
Financial liabilities							
Borrowings		655,829,571	-	655,829,571	730,152,471	-	730,152,471
Trade payables		10,831,632	-	10,831,632	10,655,725	-	10,655,725
Other financial liabilities		13,455,682	-	13,455,682	12,575,251	-	12,575,251
Provisions		8,918,235	-	8,918,235	10,506,633	-	10,506,633
Other current liabilities	ii	7,848,101	-	7,848,101	10,637,052	-	10,637,052
Total current liabilities		696,883,221	-	696,883,221	774,527,131	-	774,527,131
Total liabilities		911,920,550	(803,912)	911,116,638	984,261,194	20,803	984,281,997
Total equity and liabilities		1,015,065,093	217,766	1,015,282,859	1,081,281,097	33,648	1,102,996,570

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

37 Explanation of transition to Ind AS (Continued)

5 Reconciliation of total comprehensive income for the year ended 31 March 2019

	Note	Year ended 31 March 2018		Ind AS
		Previous GAAP*	Adjustment on	
Revenue from operations	iv, viii	3,556,878,779	-	3,556,878,779
Other income	i	2,066,590	(484,388)	1,582,202
Total income		3,558,945,369	(484,388)	3,558,460,982
Expenses				
Cost of materials consumed		19,392,462.92	-	19,392,463
Purchases of stock-in-trade		#####	-	3,254,970,599
Change in inventories of finished goods and stock-in-trade		(55,407,023.380)	0.00	(55,407,023)
Employee benefits expense	v, vi, viii	144,255,213.02	-	144,255,213
Finance costs		71,688,967.81	-	71,688,968
Depreciation and amortisation expense		15,890,737.00	-	15,890,737
Other expenses	i, ii, viii	95,350,337.00	127,507	95,477,844
Total expenses		3,546,141,293	127,507	3,546,268,800
Profit before exceptional items and tax		12,804,076	(611,894)	12,192,182
Exceptional items (Income)	vii	-	-	-
Profit before tax		12,804,076	(611,894)	12,192,182
Current tax		4,829,988	-	4,829,988.30
Deferred tax	iii	577,850	-	577,850.49
Excess/(short) provision of tax of earlier years (net)		2,763,822	-	2,763,822
Income tax expense		8,171,661	-	8,171,661
Profit for the year		4,632,415	(611,894)	4,020,521
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Fair value of equity investments through OCI	vii	-	-	-
Remeasurements of defined benefit liability (asset)	v	-	-	-
Income tax relating to items that will not be reclassified to profit or loss	v	-	-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		-	-	-
Total comprehensive income for the year		4,632,415	(611,894)	4,020,521

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

37 Explanation of transition to Ind AS (Continued)

5 Reconciliation of total comprehensive income for the year ended 31 March 2018 (Continued)

Notes to the Reconciliations

(i) Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS 109, Financial Instruments, the deposits are initially measured at fair value and subsequently at amortised cost using effective interest rate method. If lease is an operating lease difference between nominal value of deposit and its fair value is considered as prepaid rent. Prepaid rent is recognised on straight line basis over the lease term. Interest income is recognised on the deposit using Effective Interest rate method through statement of profit and loss over the life of the deposit.

The impact arising from the change is summarised as follows:

	Balance Sheet		Statement of profit and loss
	01 April 2017	31 March 2018	31 March 2018
Statement of profit and loss:			
Unwinding of discount on security deposits			(120,368)
Rent expenses			119,196
Balance sheet:			
Security deposits (Other financial assets)	(222,504)	(317,281)	
Prepaid rent (Other current assets)	216,575	97,378	
Adjustment to retained earnings (Other equity)	5,929	219,902	

(ii) Payables towards straightlining of lease rentals

Under the previous GAAP, the Company is required to straightline the rent over the period of lease if the lease agreement has escalation clause. Under Ind AS straight lining of lease rental is necessary only if the escalation is not in line with the inflation rate. Accordingly, the Company has reversed the provision towards straightline of lease for those agreement where the increment is in line with the inflation rate. Deferred tax on the same has also being reversed by the Company

	Balance Sheet		Statement of profit and loss
	01 April 2017	31 March 2018	31 March 2018
Statement of profit and loss:			
Rent expenses			-
Balance sheet:			
Other non-current liabilities	1,404,169	1,404,169	
Other current liabilities	-	-	
Other equity (Retained earnings)	(1,404,169)	(1,404,169)	

(iii) Deferred Taxes

Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

	Balance Sheet		Statement of profit and loss
	01 April 2017	31 March 2018	31 March 2018
Deferred tax assets (net)			
Payables towards straightlining of lease rentals	-	-	
Security deposits	-	-	
	-	-	
Equity:			
Other items of OCI	-	-	
(Profit)/Loss:			
Deferred tax (credit)/charge			-
Income tax relating to remeasurement (gain)/loss on net defined benefit plans			-
	-	-	

(iv) Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

37 Explanation of transition to Ind AS (Continued)

5 Reconciliation of total comprehensive income for the year ended 31 March 2018 (Continued)

Notes to the Reconciliations

	Balance Sheet		Statement of
	01 April 2017	31 March 2018	profit and loss 31 March 2018
(Profit)/Loss:			
Employee benefits expenses			-
Balance sheet:			
Other items of OCI			
Related tax effect		-	
Adjustment to retained earnings		<u>-</u>	

(v) Fair valuation of investments

In accordance with Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries, associates and joint ventures as well as debt securities have been fair valued. The Company has designated investments at fair value through other comprehensive income as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in all these investments being carried at cost less other than temporary diminution in the value of investment.

The impact arising from the change is summarised as follows:

	Balance Sheet		Statement of
	01 April 2017	31 March 2018	profit and loss 31 March 2018
Statement of profit and loss:			
Financial asset at fair value through OCI - net change in fair value			-
Adjustment before income tax			<u>-</u>
Balance sheet:			
Investments - financial assets at FVOCI	-	-	
Related tax effect	-	-	
Adjustment to retained earnings	<u>-</u>	<u>-</u>	

(vi) Gross vs net adjustment

	Balance Sheet		Statement of
	01 April 2017	31 March 2018	profit and loss 31 March 2018
Employee benefits expenses			
Other expenses			
Revenue from operations			

(ix) Other equity

The above changes (decreased) increased total equity as follows:

	Balance Sheet		Statement of
	01 April 2017	31 March 2018	profit and loss 31 March 2018
Unsecured loans	1,404,169	1,404,169	-
Security deposits	2,148,969	2,362,942	-
Tax effects on above adjustments (net)			-
Increase in total equity	<u>3,553,138</u>	<u>3,767,111</u>	-

Hira Automobiles Limited

Notes to the financial statements as at 31st March 2019 (Continued)

(All amounts in Rupees, unless otherwise stated)

In terms of Section 203 of the Companies Act, 2013, the Company has not appointed a qualified Company Secretary.

- 38 The Company has entered into an Inter corporate deposits ("ICD") with M/s Pacific Finlease Pvt Ltd, M/s Rahul Sidhu Enterprises Pvt Ltd and M/s RSG Studios Pvt Ltd ("Participant"). As on 31 March 2019, the Company has advanced loan amounting to INR nil.

Considering that the Participant is a fellow subsidiary, the Company has evaluated whether the ICD is in compliance with section 185 of the Companies Act, 2013. Emphasis is placed on explanation (e) to section 185, which states that no company shall directly or indirectly advance any loan to any body corporate, the Board of directors, managing director or manager, whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company.

The Company has considered the following factors in evaluating whether the Participant's Board or its Managing Director is accustomed to act in accordance with the directions and instruction of the Company's Board:-

- There is no substantial interest of the Company in the financial and/or operating policies of the Participant.
- The Board of Participant takes independent decisions
- The ICD agreement has been approved by the Board of both the companies on an arm's length basis
- Both the companies have a separate business vertical at a group level

Based on above factors and legal opinion obtained from a renowned law firm, the Company has concluded that the ICD is not within the purview of section 185 of the Companies Act, 2013.

- 39 **Corporate Social Responsibility (CSR)** -----NA -----

As per provisions of section 135 of Companies Act 2013, the Company was required to spend INR NIL (March 31, 2019: INR NIL) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. The Company has spent INR NIL (March 31, 2019: INR NIL) towards Corporate Social Responsibility activities.

- a) Gross amount required to be spent by the Company during the year - INR
- b) Amount spent during the year on : INR

The breakup of expenditure incurred on CSR activities

Particulars of CSR activity	31 March 2019	31 March 2018
(i) Construction / acquisition of any asset		
(ii) Promotion of Education		
(iii) Reducing child mortality and improving maternal health		

Mohan Juneja & Co.
Chartered Accountants
Firm Registration Number - 020488N

For and on behalf of the Board of Directors of
Hira Automobiles Limited
CIN NO: L50101CH1989PLC009500

CA Mohan Juneja
Proprietor
Membership No. 099825

Rahulinder Singh Sidhu
Chairman and
Managing Director
DIN: 00447452

Neha Sidhu
Wholetime
Director
DIN: 00460875

Rajan Kaushal
Chief Finance
Officer

Place: Chandigarh
Date: 30.05.2019

Place: Chandigarh
Date: 30.05.2019

Place: Chandigarh
Date: 30.05.2019

Place: Chandigarh
Date: 30.05.2019

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A) General Information

The Company is an authorized dealer of Maruti Suzuki India Ltd. for purchase and sale of Motor Vehicles, Spare parts and service of its vehicles. The company also deals in pre owned car sales and purchase. The other activities carried out in the company are getting vehicles financed from banks and NBFCs, dealing in insurance business and running of Maruti Driving School. The company is Public Company listed on Bombay Stock Exchange in India and is incorporated under the provision of the Companies Act, 1956 as replaced by the Companies Act, 2013 applicable in India. Its principal place of business is located in Patiala, further branches are in the district Patiala and district Muktsar of Punjab.

B) Basis for Preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material respects with the applicable accounting principles in India, the applicable accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006 as amended] of the Companies Act, 1956, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict with any other accounting standard referred to in Section 211 (3C) [Companies (Accounting Standards) Rules, 2006 as amended] of the Act, other recognised accounting practices and policies and the relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act.. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

C) Revenue Recognition

- a) Sale and purchase of products is recognized when the products are supplied and received in accordance with the terms of sale and purchase recorded net of trade discounts but inclusive of Goods & Service Tax for the year under consideration.
- b) Service Income is accounted for as and when vehicles are serviced in accordance with the terms of service and recorded net of discount but inclusive of Goods & Service Tax for the year under consideration.
- c) Interest income is recognized on accrual basis.

D) Fixed Assets

Tangible Assets

Fixed assets (except freehold land which is carried at cost) are carried at cost of acquisition or construction in the year of capitalisation less accumulated depreciation. Assets acquired under finance leases are not capitalised in the books of accounts.

Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

E) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised till the month in which each asset is put to use as part of the cost of that asset.

F) Depreciation

Depreciation on Fixed Assets is provided on the basis of Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

G) 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.

H) Employee Benefit Costs

Short - Term Employee Benefits:

Recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered. These benefits include performance incentive and compensated absences.

Post-Employment and Other Long Term Employee Benefits:

The Company has Defined Contribution Plans for post-employment benefit under which company pays specified contribution to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognized as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

I) Foreign Currency Translations:

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.

J) Cash Flow Statement:

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

K) Taxes

Tax expense for the year, comprising current tax and deferred tax, is included in determining the net profit/ (loss) for the year.

Current tax is recognised based on assessable profit computed in accordance with the Income Tax Act and at the prevailing tax rate.

Deferred tax is recognised for all timing differences. Deferred tax assets are carried forward to the extent it is reasonably / virtually certain (as the case may be) that future taxable profit will be available against which such deferred tax assets can be realised. Such assets are reviewed at each balance sheet date and written down to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Minimum Alternative Tax credit is recognised as an asset only to the extent and when there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal tax during the specified period.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.

L) Impairment of Assets

At each balance sheet date, the Company assesses whether there is any indication that an 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 recognised in the statement of profit and loss to the extent the carrying amount exceeds the recoverable amount.

M) Provisions and Contingencies

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to their present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

N) Earnings Per Share

The calculation of Earnings Per Share (EPS) as disclosed in the balance Sheet Abstract has been made in accordance the the requirement of Accounting Standard (AS) -20 on Earnings Per Share issued by the Institute of Chartered Accounts of India. Diluted Earning per Share is the same Basis Earning per share because there is no potential equity shares which would have dilutive effect on earning per shares to equity shareholders.

O) Segment Reporting

The Company is Authorized Dealer of Maruti Suzuki India Limited (MSIL) and hence, is engaged in the business of sale and service of MSIL vehicles. As the basis 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-14) on segment reporting issued by the Institute of Chartered accountants of India.

2. Balance Sheet of Current year has been prepared as per Ind AS per application to listed companies and figures of previous year have also been recalculated, re-group and re classified wherever necessary in order to conform to the current year's presentation. Due to applicability of Ind AS previous year figure have changed.

3. Detail in respect of Opening Stock, Sales and closing stock as follows:

Particulars	Opening Stock		Sales		Closing Stock	
	Qty	Amount	Qty	Amount	Qty	Amount
		(Rs. In Lacs)	5304	(Rs. In Lacs)	1102	(Rs. In Lacs)

Vehicles	1102	4086.23		31548.98		4447.35
Spares & Accessory		486.60		2906.76		425.93

4. (a) During the year, the company has recognized the following amounts as Defined Contribution Pan in the Profit and Loss Account:

- 1) Employer's Contribution to Provident Fund - Rs. 87.56 lacs
- 2) Employer's Contribution to Employee State Insurance - Rs. 32.65 lacs

(b) During the year the Company has made provision for Gratuity of Rs.15.62 lacs in books as designed benefit plan.

5. Subsequent to Accounting Standards -22" Accounting for Taxes on Income" , Issued by the institute of Chartered Accountants of India, Deferred tax expenses of Rs. (2,06,515.00) for the periods is recognized in the profit and loss amount.

Calculation of Deferred Tax Liability is as follows:

Written down value of Fixed Assets as on 31.03.2019 (as per Company Act)	18,05,98,345
Written down value of Fixed Assets as on 31.03.2019 (as per Income Tax Act)	12,97,03,954
* Timing Difference	5,08,94,391
* Tax @ 33.010%	1,68,16,525
* Deferred Tax Liability as on 31.03.2019	1,68,16,525
*Deferred Tax Liability as on 31.03.2018	1,70,23,040
* Deferred Tax Liability to be provided for	(2,06,515)

6. Legal & Professional fees includes Payments to Auditors comprising as follows:

- I) Statutory Audit Fee Rs.1,50,000.00
- II) Tax audit Fee Rs. 50,000.00

7. Calculation of Earnings Per Share is as follows:

Profit after Tax as per Profit & loss Account as on 31.03.2018	Rs.1,45,48,352/-
No. of Equity Share (Face Value Rs.10/- each)	
For Basis Earning Per Share	2753440
For Diluted Earning Per Share	2753440
Earning Per Share	
Basis	5.28
Diluted	5.28

8. Balance Confirmation letters have been obtained from some of the parties on test check basis.

As per out report of even date

***For Mohan Juneja & Co.
Firm Registration Number : 020488N
Chartered Accountants***

***Mohan Juneja
Proprietor
Membership Number : 099825***

***Place: Chandigarh
Date : 30.05.2019***

For and on Behalf of the Board

***Rahulinder Singh Sidhu
Chairman & Managing Director***

***Neha Sidhu
Whole Time Director***

***Rajan Kaushal
Chief Financial Officer***