

Directors on Corporate Governance

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

Vision and Philosophy on the Code of Governance

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

Board of Directors

Composition :

The strength of Board of Directors of the Company as on 31.03.2014 is Eight, comprising of four promoter directors and four independent directors having diversified professional experience. Out of which Five Directors are non-executive and Three Directors are whole time directors in the Company. Chairman of the company is **executive** and the composition of Board of Directors is as below:-

The particulars relating to the Directors as on 31.03.2014 are given below:-

S. No.	Name	Designation	Nature of Directorship
1	Sh. Rahul Inder Singh Sidhu	Chairman and Whole time Director	Promoter / Executive
2	Sh. Kuldeep Singh Bhattal	Whole time Director	Promoter / Executive
3	Mrs. Simran Bajwa	Whole time Director	Promoter / Executive
4	Mrs. Neha Sidhu	Director	Promoter / Non Executive
5	Sh. Ramesh Kumar	Director	Non Promoter / Non Executive
6	Mrs. Rupinder Kaur	Director	Non Promoter / Non Executive
7	Mrs. Rajbir Kaur	Director	Non Promoter / Non Executive
8	Sh. Isher Singh	Director	Non Promoter / Non Executive

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

Conduct of Board Meeting

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



The meetings of the Board are ordinarily required to be held at least once in quarter and four times in a year. During the year, the Board met 14 times on the following dates.

30.04.2013	25.05.2013	28.05.2013	30.05.2013
31.07.2013	03.09.2013	31.10.2013	20.12.2013
25.01.2014	31.01.2014	22.02.2014	01.03.2014
10.03.2014	18.03.2014		

The attendance of Directors at the meetings for the year 2013-14 and directorship in other companies, membership in other companies and Share holding as on 31-03-2014 is furnished below :-

S. No.	Name of Director	No. of Board Meeting attended	Nos. of other Directorship	Membership in other Committees	Share holding as on 31-03-2014
1	Sh. Rahul Inder Singh Sidhu	14	4	--	272100
2	Sh. Kuldeep Singh Bhattal	-	2	--	265010
3	Mrs. Simran Bajwa	14	2	--	270000
4	Mrs. Neha Sidhu	14	3	--	1000
5	Sh. Ramesh Kumar	7	4	--	--
6	Sh. Isher Singh	7	--	--	--
7	Mrs. Rupinder Kaur	8	--	--	--
8	Mrs. Rajbir Kaur	6	--	--	--

The following Directors attended the last Annual General Meeting held on 30.09.2013

Sh. Rahul Inder Singh Sidhu	Chairman
Mrs. Simran Bajwa	Whole Time Director
Mrs. Neha Sidhu	Director



Committees of the Board of Directors

The Board constituted the following committees:

1. Audit Committee to oversee audit functions of the Company.
2. Shareholders'/Investors' Grievances Committee to look into the redressal of shareholders'/investors' Grievances.
3. Remuneration Committee

The minutes of each Committee are placed before the Board of Directors at their subsequent meeting.

Audit Committee:

Audit committee at present consists of three directors and two of them are independent and non-executive directors. Five meetings of Audit Committee were held in the year under consideration. The detail of members and their attendance as on 31.03.2014 is as under:

Name of Directors	Category	Designation	Attendance
Smt. Simran Bajwa	Executive and Promotor	Member	5
Mrs. Rajbir Kaur	Non-Executive and Non Promoter	Member	2
Sh.Ramesh Kumar	Non-Executive and Non Promoter	Chairman	5

Shareholders/Investors Grievance Redressal Committee

The committee at present consists of three directors and two of them are independent and non-executive directors. During the financial year one meeting of Shareholders/Investors Grievance Committee was held to consider all the matters concerned with shareholders.

The details of members as on 31.03.2014 and their attendance are as under :

Name of Directors	Category	Designation	Nos. of meetings attended
Smt. Simran Bajwa	Executive and Promotor	Member	1
Mrs. Rajbir Kaur	Non-Executive and Non Promoter	Member	1
Sh.Ramesh Kumar	Non-Executive and Non Promoter	Chairman	1



Remuneration of directors

There is no pecuniary relationship or transaction of the company with its independent directors. All the three Executive Directors are paid by way of monthly remuneration, and no commission on profits is paid to any of the Directors.

Remuneration Committee

Remuneration at present consists of three directors and two of them are independent and non-executive directors. During the financial year no meeting of the Committee was held.

Details of members of Remuneration Committee as on 31.03.2014 are as under:

Name of Directors	Category	Designation
Smt. Simran Bajwa	Executive and Promotor	Member
Mrs. Rajbir Kaur	Non-Executive and Non Promoter	Member
Sh.Ramesh Kumar	Non-Executive and Non Promoter	Chairman

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 & Exchange Board of India, Listing Agreement with stock exchanges, etc.

Common Agency/Share Transfer Agent:

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

M/s Beetal Financial & Computer Services Pvt Ltd

Beetal House, 3rd Floor, 99 Madangir,

Behind Local Shopping Center,

Near Data Harsukhdas Mandir,

New Delhi- 110062,

Ph.: 011-29961281/82,

Fax: 011-29961284

Share holders complaints

Opening Balance Nil

Received Nil

Settled Nil

Closing Balance Nil

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



General Body Meetings

Detail of last 3 Annual General Meetings and Special Resolutions passed there at are given here below:-

Financial Year	Date	Time	Venue	Special Resolution
2010-2011	30.09.2011	11.00 AM	Regd. Office	Nil
2011-2012	29.09.2012	11.00 AM	Regd. Office	Nil
2012-2013	30.09.2013	11.00 AM	Regd. Office	Nil

The company has passed a special resolution through Postal Ballot on 03.07.2013 as per the report of scrutinizer M/s. RPS Khurana for delisting of securities.

Communication to Shareholders

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

General Information to Shareholders

Listing on Stock Exchanges:

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

1. BSE limited.
2. Ludhiana Stock Exchange Association Limited.
3. Delhi Stock Exchange Association Limited.
4. Ahmadabad Stock Exchange Association Limited.

Annual Listing fee for the year 2014-15 has been paid to BSE Limited only.

Delisting

The company has passed a special resolution through Postal Ballot on 03.07.2013 as per the report of scrutinizer M/s. RPS Khurana for delisting of securities from all the four stock exchanges i.e. BSE limited, Ludhiana Stock Exchange Association Limited, Delhi Stock Exchange Association Limited and Ahmadabad Stock Exchange Association Limited. All the four stock exchanges have given in principle approval for delisting of securities. The offer letters were sent to shareholders to obtain their consent for delisting as per the provisions of delisting guidelines of SEBI.

25th Annual General Meeting

Date -	30.09.2014
Time -	05:00 PM
Venue -	# 20, Sec 8-A, Chandigarh.
Financial Year-	2013-14
Date of Book Closure-	29-09-2014 to 30-09-2014 (Both Days inclusive)

Distribution of share holding of the company as on 31.03.2014 Category wise

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



Distribution of share holding of the company as on 31.03.2014 value wise

Shareholding of Nominal value Rs	Shareholders		Shares	
	Number	%	Number	%
1- 5000	129	63.16	50430	1.84
5001- 10000	21	10.05	15200	0.55
10001- 20000	42	20.09	43400	1.58
20001- 30000	1	0.48	2200	0.08
30001- 40000	1	0.48	3300	0.12
40001-50000	1	0.48	4200	0.15
50001-100000	0	0.00	0	0.00
100001 and above	11	5.26	2634710	95.68
Total	206	100.00	2753440	100.00

Dematerialization of Shares and Liquidity

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

Address for Correspondence

Followings are addresses for correspondence:

Registered Office-

Hira Automobiles Limited, # 20, Sector 8A, Chandigarh.

Showroom Locations:

1. Hira Automobiles Limited, Rajbaha Road, Patiala Ph. No .0175-2209100.
2. Hira Automobiles Limited. Malout Road, Muktsar, Ph .No 01633-262020.
3. Hira Automobiles Limited, Village Bhadak, Rajpura, Ph. No. 01762-244881.
4. Hira Automobiles Limited, Radha Swami Satsang Road, Nabha, Ph.No. 01765-505959
5. Hira Automobiles Limited, Muktsar Road, Malout, Ph. No.01637-263724
6. Hira Automobiles Limited, Patiala Pehowa Road, Devigarh, Ph. No.0175-2631152
7. Hira Automobiles Limited, Malout Bathinda Road, Gidderbaha, Ph. No. 01637-231510
8. Hira Automobiles Limited, Nabha Road, Bhadson, Ph.No. 01765-260061



Brief Profile of Directors Seeking Reappointment/Appointment

Sr. No.	Name	Qualification	Occupation/ Area of expertise	Directorship in other Companies	Age	Share holding
1	Mr. Rahul Inder Singh Sidhu	Graduate	Business	- Pacific Finlease Pvt Ltd, - Rahul Sidhu Enterprises Pvt Ltd, - Rahul Sidhu Media Pvt Ltd, - RSG Studio Pvt Ltd,	32	270000
2	Mrs. Neha Sidhu	Graduate	Business	- Rahul Sidhu Enterprises Pvt Ltd, - Rahul Sidhu Media Pvt Ltd, - RSG Studio Pvt Ltd,	30	10000
3	Mrs. Simran Bajwa	Graduate	Business	- Pacific Finlease Pvt Ltd, - Bajwa Arjun Property Developers Pvt Ltd,	36	265010
4	Mr. Ramesh Kumar	Graduate	Business	- R M Strips Pvt Ltd, - Radiant Textiles Ltd, - Radiant Textile Industries Ltd, - Radiant Spintex Ltd,	60	0.00
5	Mrs. Rajbir Kaur	Graduate	Business	Nil	66	0.00
6	Mrs. Rupinder Kaur	Graduate	Business	Nil	66	0.00
7	Mr. Isher Singh	Graduate	Business	Nil	65	0.00
8	Sh. Kuldeep Singh Bhattal	Graduate	Business	Nil	62	272100



CEO & CFO Certification Under Clause 41 & 49(v) of the listing Agreement to be placed before the Board along with Audited Annual Accounts for the year ended 31st March 2014

It is hereby certified that;

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

By order of the Board
For Hira Automobiles Limited

Place: Chandigarh
Date: 30.05.2014

(Rahul Inder Singh Sidhu)
Chairman
DIN-00447452

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

This is to certify that Board of Directors and the Senior Management Personnel have affirmed Compliance of the Code of Conduct applicable to them during the year ended 31st March 2014.



MANAGEMENT DISCUSSIONS AND ANALYSIS

The Automobile Industry

The year 2013-14 was the turbulent time for the Automobile industry in the country. Some of the companies registered a big growth while others slid drastically. It was like the survival of the fittest. It was all on the reach and operational spread of the companies which made them successful. Thanks to our principals Maruti Suzuki India Ltd who with their new initiatives and focus on the basics lead their dealer companies to growth. Your company grew over the last year and increased on the market-share.

Vision 2014-15

The platinum spree of your company continued in the FY 2013-14. The company was again honored with the Platinum Band by the Principals. We are sure that this FY too we will carry on with this honor. The strategy has been worked out with the managers to keep the growth trend in the business. This year the mood of the middle and upper middle class is buoyant with the expectations of "Aachhe Din" and the uptrend in the economy will have a positive impact on the entry level cars where your company has its strength. The strong new Central Government is business friendly and its policies will make the business grow. To encash upon this trend we are ready to collect our share from the same. We see a good growth of the business in the financial year. The launches of new products will help boost the business in the mid-year and focus on all the businesses will keep the bottom-line healthy.

Segment-wise Performance

The segment-wise focus is prime to bring about the required performances. Last year the focus made the difference and this year the strategy is to keep the strategy same. The strength of the company is that it complies to the need of a large segment of customers with cars ranging from 3 lacs to 17 lacs. So strategies are devised to cater to each segment and make the best use of the potential available with that particular segment.

Risks and concerns

Though the competition is increasing day by day and there is a big challenge in maintaining the top-line and bottom-line of the company but the increase in the demand and the push strategy adopted by the company we feel there is no threat whatsoever.

Internal Control System

The internal audit system is in place and the auditors are working throughout the year to check and ensure that the work is done ethically and as per the laid systems. The strength of the internal audit department has been increased and the reports are perused and monitored on a regular basis. The pre-audit system is working and adds the proactive role of the audit department in the functioning of the company.



Human Resources

The Human resource in the company is its biggest asset. Your company can boast of having the best manpower who are dedicated and hard working. The employee-employer relationship is very good and the harmonious working makes it the Hira Family at work. The KRAs are defined and each unit works for the topline and bottom line of the company.

Marketing

The spread and penetration in the market has to increase with the increase in competition. Hence all efforts are being made to reach closest to the customer and be present there to be on his beck and call whenever he thinks of an automobile. The reminders to the customers that we are there to help them out in their purchases and after sales services will increase.

Dealership Strategy

The company is working on the decentralization and making each outlet a self-sufficient and a separate profit centre for the company. As the market conditions are tough the and entail strategy making at the grass root level the outlet managers are being empowered to contribute their share to the overall kitty of the profitability of the company. The focus will remain apart from the car sales on the other allied businesses of the company.



Compliance Certificate on Corporate Governance

To,

The Members

Hira Automobiles Ltd.

1. We have examined the compliance of Corporate Governance by Hira Automobiles Limited, as at 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.
2. The compliance of Corporate Governance is the responsibility of the Management. Our examination is limited to a review of the procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the Financial Statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pankaj Chugh and Associates

Firm Registration Number - 026311N

(Chartered Accountants)

Sd/-

Pankaj Chugh

Membership No.- 529702

(Proprietor)

Place : Chandigarh

Date : 30.05.2014

