


FORM A

| | | |
|----|---|---|
| 1. | Name of the Company | Hindustan Auto Finance Limited |
| 2. | Annual Financial Statements for the year ended | March 31, 2015 |
| 3. | Type of Audit observation | Un-qualified |
| 4. | Signed by:- | |
| | <ul style="list-style-type: none"> ➤ Subhash Sapra (Chairman) ➤ Neera Sapra (Chief Financial Officer) ➤ Ravi Chopra & Associates Chartered Accountants 9/54, (Basement), Vikram Vihar, Lajpat Nagar-IV New Delhi-110002 FRN 007335N CA Ravi Chopra Partner Membership No. 083390 (Auditors of the Company) ➤ Mukhtar Singh (Chairman of Audit Committee) | <p style="text-align: right;"><i>[Signature]</i></p> <p style="text-align: right;"><i>Neera Sapra</i></p> <div style="text-align: center;">  </div> <p style="text-align: right;"><i>[Signature]</i></p> |

2014-15

35TH Annual Report



HINDUSTAN AUTO FINANCE LIMITED

BOARD OF DIRECTORS AS ON DATE OF AGM

| | |
|------------------------------|-------------------------------------|
| Mr. Subhash Sapra | Chairman & Executive Director |
| Ms. Neera Sapra | Executive Director |
| Mr. Mukhtar Singh | Independent, Non Executive Director |
| Ms. Rakhi (Up to 28-08-2015) | Independent, Non Executive Director |

KEY MANAGERIAL PERSONNELS

| | |
|-------------------|-------------------------------|
| Ms. Neera Sapra | CFO (Chief Financial Officer) |
| Mr. Subhash Sapra | Whole Time Director |

REGISTERED OFFICE

No. 114, Mall Road, GTB Nagar, Delhi-110009

REGISTRAR AND SHARE TRANSFER AGENT

Beetal Financial & Computer Services (P) Limited
99 Madangir, Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi-110062, India
Ph: +91-11-29961281-83, Fax: +91-11-29961284
Email:-beetal@beetalfinancial.com

AUDITORS

Ravi Chopra & Associates
Chartered Accountants
9/54, (Basement), Vikram Vihar,
Lajpat Nagar-IV, New Delhi-110002

SECRETARIAL AUDITOR

Anuj Gupta & Associates
169, E/2, Bhagwan Nagar,
Hari Nagar Ashram, New Delhi- 110014

| <u>Contents</u> | <u>Page No.</u> |
|---|------------------------|
| Notice | 1 |
| Directors' Report | 6 |
| Corporate Governance Report | 19 |
| Management Discussion and Analysis Report | 27 |
| Auditors' Report | 29 |
| Balance Sheet | 34 |
| Statement of Profit & Loss Account | 35 |
| Cash Flow Statement | 36 |

Hindustan Auto Finance Limited

NOTICE

Notice is hereby given that the 35th Annual General Meeting of **HINDUSTAN AUTO FINANCE LIMITED** will be held at the Registered office of the company at No. 114, Mall Road, GTB Nagar, Delhi-110009 on Wednesday, September 30, 2015 at 11.00 a.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2015 and the Balance Sheet as on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint Ms. Neera Sapra (DIN No. 00241941) as Director, who retires by rotation and being eligible, offers her-self for re-appointment.
3. To re-appoint the Auditors and to fix their remuneration and in this regard pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s Ravi Chopra & Associates, (Firm Registration No. 007335N), Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors.”

Special Business

4. Appointment of Whole time Director:

To appoint Mr. Shubash Sapra (DIN: 00241940) designated as Executive Director and in this regard to consider and if thought fit, to pass, the following resolution as Special Resolution:

“RESOLVED THAT, pursuant to the provisions of Section 196, 197, 203 and Schedule V of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company, Mr. Subhash Sapra be and is hereby appointed as Whole time Director of the company for a period of Five years with effect from 30th Day of March, 2015, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said re appointment and or remuneration in such manner as may be agreed to by and between the Company and Mr. Subhash Sapra provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.”

5. Appointment of Independent Director:

To appoint Ms. Rajni Gupta (DIN: 07242992) as Independent Director, in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with schedule IV to the said Act, consent of the Company be and hereby accorded to appoint Ms. Rajni Gupta as an Independent Director of the Company for a period of Five years from 30th September, 2015 to 29th September, 2020 on such terms and conditions as set out in the Statement annexed to the notice convening this meeting, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said appointment and or remuneration in such manner as may be agreed to by and between the Company and Ms. Rajni Gupta provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.”

By Order of the Board of Directors
For **Hindustan Auto Finance Limited**

Date : 28th August, 2015
Place : New Delhi

Sd/-
Subhash Sapra
Chairman

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (HEREINAFTER REFERRED TO AS 'THE MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE 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 and 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. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Brief Resume of the Directors seeking appointment/reappointment at the Meeting along with the details of other Directorship and shareholding in the Company pursuant to Clause 49 of the Listing Agreement with the Stock exchange are provided as an Annexure to this Notice.
4. Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 28th September 2015 to 30th September, 2015 (both days inclusive).
6. The Ordinary Shares of the Company are listed on Metropolitan stock exchange of India limited.
7. Members holding shares in physical form are requested to notify any change in their address including Pin Code, Bank Mandate, Income Tax Permanent Account Number etc. to the Company's Registrar & Share Transfer Agent **Beetal Financial & Computer Services (P) Limited**, Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062. Members holding shares in dematerialized form are requested to furnish this information to their respective depository participants for updation of the records.
8. Members who hold shares in physical Form in multiple folios in identical name or joint holding in the same order of names are requested to send the share certificates to RTA for consolidating into single folio. The share certificates will be returned to the Members after making requisite changes thereon.
9. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. Request may be made to the Company or its RTA for the Nomination Form.
10. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least one week in advance so as to enable the management to keep the information ready.
11. Members attending the Annual General Meeting are requested to bring with them the following:
 - (a) DP & Client ID Numbers or Folio Numbers
 - (b) Attendance Slip and
 - (c) Copy of the Annual Report and Notice, as no copies thereof would be distributed at the Meeting.
12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
13. **Voting through electronic means**
 1. The procedure and instructions for members for e-voting are as under:-

Hindustan Auto Finance Limited

- (i) The voting period begins on 27th September 2015 at 9:00 a.m. and ends on 29th September 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2015, 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
- (iv) Click on Shareholders.
- (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 demat 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 Demat Form and Physical Form | |
|---|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed with attendance slip.• 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 Rahul Kumar with sequence number 1 then enter RA00000001 in the PAN field |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <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 (v). |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly 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.

Hindustan Auto Finance Limited

- (xii) Click on the EVSN for the relevant “Hindustan Auto Finance 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 voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
2. 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 3. The voting rights of the shareholders shall be proportion to their shares of the paid up equity share capital of the Company.
 4. Ms. Nishi Talwar, Practicing Company Secretary (ACS: 24056/CP: 10529) of Nishi Talwar and Associates, Company Secretaries, Delhi has been appointed as the Scrutinizer for e-voting and Physical Ballot Process at the AGM in a fair and transparent manner.
 5. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the Annual General Meeting, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 6. The e-voting period commences on 27th September, 2015 at 9:00 a.m. and ends on 29th September, 2015 at 5.00 p.m. During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2015, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

Hindustan Auto Finance Limited

7. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hindaf.com and on the website of CDSL within three days of the conclusion of the Thirty Fifth AGM of the Company on Tuesday, 30th September 2015 and shall be communicated to the Stock Exchanges where the shares of the Company are listed. The Result shall also be displayed at the notice board of the Company at its Registered Office.

By Order of the Board of Directors
For **Hindustan Auto Finance Limited**

Sd/-
Subhash Sapra
Chairman

Date : 28th August, 2015
Place : New Delhi

Annexure to the Notice

Profile of the Directors Mentioned in Item no 2, 4 and 5 seeking Reappointment or and Appointment at the Annual General Meeting pursuant to clause 49 of Listing Agreement.

| Name | Neera Sapra | Subhash Sapra | Rajni Gupta |
|---|-----------------|---|----------------------------|
| Director Identification Number (DIN) | 00241941 | 00241940 | 07242992 |
| Age | 60 Years | 67 Years | 42 Years |
| Expertise in specific area | Administration | Accounts and Finance | Finance and Administration |
| Qualification | Graduate (Arts) | Commerce Graduate | Commerce Graduate |
| Date of First appointment on the board of the company | 01/01/1999 | 15/06/2005 | - |
| Shareholding in Hindustan Auto Finance Limited | 578200 | 209000 | Nil |
| List of Directorship held in other companies | Nil | 1. D D Investments Private Limited 2. Perfect Construction Private Limited | Nil |

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4:

APPOINTMENT OF MR. SUBHASH SAPRA AS WHOLE TIME DIRECTOR:

The Board of Directors of your Company at its Meeting held on 30th March, 2015 approved, on the recommendations of the Nomination and Remuneration Committee, the re-appointment of Mr. Subhash Sapra as the Whole Time Director of the Company for a further period of Five Year with effect from 30.03.2015.

In view of his extensive experience, exposure and network, his sustained contributions and dedicated efforts made for the Company since its inception and considering that his continued involvement is necessary for future growth of the company.

Hindustan Auto Finance Limited

In view of the above and subject to passing of the Resolution as set out in the Notice, it will be in the interest of the Company that Mr. Subhash Sapra continues as the Whole Time Director of the Company.

Except Mr. Subhash Sapra, None of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

ITEM NO. 5:

APPOINTEMENT OF MS. RAJNI GUPTA AS AN INDEPENDENT DIRECTOR:

The Board of Directors Recommends appointment of Ms. Rajni Gupta (DIN: 07242992) as an Independent Director of the company under section 149 of the Companies Act, 2013. The Company has received a notice in writing from Ms. Rajni Gupta pursuant to the provisions of Section 149 of the Companies Act, 2013, signifying intention to propose herself as candidate for the office of Independent Director.

In opinion of the Board, Ms. Rajni Gupta (DIN: 07242992) fulfills the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 49 of the Listing Agreement for her appointment as an independent Director of the Company and is independent of the management and hence recommend her to be appointed for five consecutive years from 30th September, 2015 to 29th September, 2020 under section 149 of the Companies Act, 2013.

The Board of Directors considers that in view of the background and immense experience of Ms. Rajni Gupta, it would be in the interest of the Company to appoint her as an Independent Director of the Company. The Board recommends the resolution for your approval.

A brief profile of Ms. Rajni Gupta (DIN: 07242992), whose appointment is proposed at Item Number 5 of the accompanying Notice, has been given in the annexure attached.

Except Ms. Rajni Gupta, None of the Directors, Key Managerial Personnel and their relatives are interested or concerned in the resolution.

By Order of the Board of Directors
For **Hindustan Auto Finance Limited**

Date : 28th August, 2015
Place : New Delhi

Sd/-
Subhash Sapra
Chairman

DIRECTORS' REPORT

Your Directors have pleasure in presenting Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2015.

FINANCIAL RESULTS

| Particulars | Current year 2014-15 (in lacs) | Previous Year 2013-14 (in lacs) |
|---------------------------------|---|--|
| Total Income | 15.69 | 12.33 |
| Depreciation | 0.37 | 0.29 |
| Profit/Loss for the year | 0.72 | 5.31 |

DIVIDEND AND RESERVE

Due to accumulated losses in the past in the company, the Company has not recommended any dividend in the financial year 2014-15.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

CHANGES IN BOARD

Details of change in the composition of the Board is mention in a separate section forming part of the Corporate Governance Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure A".

STATE OF COMPANY'S AFFAIRS:

Company lays emphasis on being customer-centric and further strives on a well organized management team of skilled and trained professionals to deliver quality services to its customers. Company is involved in the business of buyers, sellers, agents, dealers and suppliers of iron and steel, metals and minerals products, engineering goods, agricultural products, pharmaceuticals products, leather goods, handicrafts, textiles including cotton woolen, art silk, readymade garments and all type of commodities, merchandises and goods.

NUMBER OF MEETINGS OF THE BOARD

During the year Seven (07) Board Meetings and Four (04) Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS

During the year, Board of Directors had appointed Mr. Subhash Sapra as Whole Time Director and Ms. Neera Sapra as Chief Financial Officer of the company at the Board Meeting held on 30th March, 2015.

During the year, Mr. Man Singh Tosaria, an independent director submitted his resignation to the Board on September 27, 2014 due to his Personal occupancy somewhere else. The same was accepted by the Board through Board Resolution. The Board hereby places on record its sincerest thanks and gratitude for the invaluable contribution made by Mr. Man Singh Tosaria towards the company during his tenure as Director.

During the Year, Board of Directors had appointed Ms. Rakhi as Independent Director of the company at the Board Meeting held on 27th September, 2014.

Hindustan Auto Finance Limited

Apart from this, there were no changes in the Directors or Key Managerial Personnel during the year.

Ms. Neera Sapra, Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers herself for re-appointment.

All Independent Directors have submitted their declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6) and Clause 49 of the Listing Agreement

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149 (6) OF COMPANIES ACT, 2013

Both independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration Committees.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Functions and Terms of Reference of the Nomination and Remuneration Committee of the Company are as per the Companies Act 2013 and the listing agreement. Further, Company's Remuneration policy is market led and takes into account the competitive circumstance of the business so as to attract and retain quality talent and leverage performance significantly.

AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:

a. STATUTORY AUDITORS:

The Auditors M/s Ravi Chopra & Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

b. SECRETARIAL AUDITOR:

Pursuant to provisions of section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. Anuj Gupta, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure B".

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The company has not given any loans or guarantees and has not made any investments covered under the provisions of section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

DEPOSITS

During the year under review, Your Company has not accepted any deposits in terms of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, and also no amount was outstanding on account of principal or interest thereon, as on the date of the Balance Sheet.

MATERIAL CHANGES AND COMMITMENTS, IF ANY

There are no material changes and commitments noticed by the Board between the end of the financial year of the company, i.e., 31.03.2015 and the date of the report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT-GO:

In the absence of any manufacturing activities during the year under review, no steps were required to be taken for conservation of energy and technology absorption.

Further, there were no foreign exchange earnings and outgo during the year under review.

BUSINESS RISK MANAGEMENT:

Pursuant to section 134 (3) (n) of the Companies Act, 2013, the Company regularly maintains a proper check in normal course of its business regarding Risk Management. At present the Company has not identified any element of risk which may threaten the existence of the company.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As per Section 135 of Companies Act, 2013, the Company does not fulfill the criteria of net worth or turnover for Corporate Social Responsibility (CSR), hence the same is not applicable to the Company.

SUBSIDIARY COMPANIES:

The Company does not have any subsidiary Company.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a well established whistle blower policy as part of vigil mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization of Director(s)/employee(s), who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

CORPORATE GOVERNANCE REPORT

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Secretarial Auditor confirming compliance forms an integral part of this Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The management monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

HUMAN RESOURCES:

The relationship with employees continues to be cordial. The company always considers its human resources as its most valuable asset. Imparting adequate and specialized training to its employees is ongoing exercise in the company.

STATEMENT PURSUANT TO LISTING AGREEMENT:

Your company's securities are listed with Metropolitan Stock Exchange of India Limited (MSXI).

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

Hindustan Auto Finance Limited

PARTICULARS OF EMPLOYEES

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are:

- a) Employed throughout the year Nil
- b) Employed for part of the year Nil

The remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the company.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgements 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 had 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 had prepared the annual accounts on a going concern basis;
- (e) The directors had 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Executives, Staff and workers at all levels for their continuous co-operation and assistance.

By Order of the Board of Directors
For **Hindustan Auto Finance Limited**

Date : 11th August, 2015
Place : New Delhi

Sd/-
Subhash Sapra
Chairman

MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,
The Members,
Hindustan Auto Finance Limited,
No. 114, Mall Road,
GTB Nagar, Delhi-110009

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindustan Auto Finance Ltd** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Hindustan Auto Finance Ltd** 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2015** 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Hindustan Auto Finance Ltd** ("the Company") for the financial year ended on **31st March, 2015** according to the provisions of:

- (a) The Companies Act, 2013 (the Act) and the rules made there under;
- (b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (d) 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;
- (e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 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;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (f) The Environment (Protection) Act, 1986
- (g) The EPF & Misc. Provisions Act, 1952;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, approved by the Central Government of india;
- (ii) The Listing Agreements entered into by the Company with Metropolitan Stock Exchange of India Limited (MSXI), Uttar Pradesh Stock Exchange, Jaipur Stock Exchange and Delhi Stock Exchange;

Hindustan Auto Finance Limited

We 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.

We 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.

We further report that during the audit period the company has Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013, having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place : New Delhi

Date : 11/08/2015

CS Anuj Gupta
For **Anuj Gupta & Associates**
Company Secretaries
ACS No.: 31025
C P No.: 13025

This report is to be read with our letter of even date which is annexed as 'Annexure B' and forms an integral part of this report.

Annexure B

To,
The Members,
Hindustan Auto Finance Limited,
No. 114, Mall Road,
GTB Nagar, Delhi-110009

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Anuj Gupta & Associates**
Anuj Gupta
Company Secretaries
ACS No.: 31025
C P No.: 13025

Place : New Delhi

Date : 11/08/2015

Hindustan Auto Finance Limited

**Annexure A to Board's Report
Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

| | | |
|-------|---|---|
| i) | CIN | L65910DL1980PLC010617 |
| ii) | Registration Date | 08/07/1980 |
| iii) | Name of the Company | Hindustan Auto Finance Limited |
| iv) | Category/Sub-Category of the Company | Company Limited by Shares/Indian Non-Government company |
| v) | Address of the Registered Office and contact details | No. 114, Mall Road, GTB Nagar, Delhi- 110009 Tel. : 0121-2660331 |
| vi) | Whether listed company Yes / No | Yes |
| vii) | Name of Stock Exchange | Metropolitan Stock Exchange of India Limited (MSXI), Uttar Pradesh Stock Exchange, Jaipur Stock Exchange and Delhi Stock Exchange |
| viii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | Beetal Financial & Computer Services Private Limited Beetal House, 3rd floor, 99, Madangir, BH Local Shopping centre, Near Dada Harsukdas Mandir, New Delhi-110062 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| Sr. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1 | Dealers of Textile Products | 17299 | 90% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name And Address of the company | CIN/GLN | Holding/ Subsidiary /Associate | % of shares held | Applicable Section |
|------------------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| ----- None ----- | | | | | |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (01/04/2014) | | | | No. of Shares held at the end of the year (as on 31/03/2015) | | | | % Change during the year Approx. |
|-----------------------------|--|---------------|---------------|-------------------|--|--------------|---------------|-------------------|----------------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual / HUF | 0 | 974600 | 974600 | 27.82 | 904000 | 70600 | 974600 | 27.82 | Nil |
| b) Central Govt. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) State Govt (s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) Bodies Corp. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) Any Other... | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (A) (1) :- | 0 | 974600 | 974600 | 27.82 | 904000 | 70600 | 974600 | 27.82 | Nil |

Hindustan Auto Finance Limited

| Category of Shareholders | No. of Shares held at the beginning of the year (01/04/2015) | | | | No. of Shares held at the end of the year (as on 31/03/2015) | | | | % Change during the year Approx. |
|---|--|----------------|----------------|-------------------|--|----------------|----------------|-------------------|----------------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| 2) Foreign | | | | | | | | | |
| a) NRIs-Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Other Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) Bodies Corp. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Any Other... | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (A) (2) :-Total shareholding of Promoter (A) = (A)(1)+(A)(2) | Nil | 974600 | 974600 | 27.82 | 904000 | 70600 | 974600 | 27.82 | Nil |
| B. Public Shareholding | | | | | | | | | |
| 1) Institutions | | | | | | | | | |
| a) Mutual Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) Central Govt. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) State Govt(s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) Insurance Companies | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| g) FIs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| h) Foreign Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| i) Others (specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (B)(1) :- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 2) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 0 | 248600 | 248600 | 7.10 | 0 | 248600 | 248600 | 7.10 | Nil |
| i) Indian | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| ii) Overseas | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| i) Individuals shareholders holding nominal share capital upto Rs.1 lakh | Nil | 1235800 | 1235800 | 35.28 | 0 | 1107300 | 1107300 | 31.61 | 3.67 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 0 | 816800 | 816800 | 23.32 | 148700 | 796600 | 945300 | 26.99 | 3.67 |
| c) Others (specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Trusts | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Custodians/Clearing member | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| NRIs | 0 | 227000 | 227000 | 6.48 | 0 | 227000 | 227000 | 6.48 | Nil |
| Hindu Undivided Family | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total(B)(2) :- | 2079900 | 940550 | 3020450 | 70.68 | 2148966 | 871484 | 3020450 | 70.68 | Nil |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 0 | 2528200 | 2528200 | 72.18 | 148700 | 2379500 | 2528200 | 72.18 | Nil |
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | 0 | 3502800 | 3502800 | 100 | 1052700 | 2450100 | 3502800 | 100 | Nil |

Hindustan Auto Finance Limited

(ii) SHAREHOLDING OF PROMOTERS

| Sr. No. | Shareholders 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 encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | |
| 1 | Subhash Sapra | 209000 | 5.97 | Nil | 209000 | 5.97 | Nil | Nil |
| 2 | Neera Sapra | 578200 | 16.51 | Nil | 578200 | 16.51 | Nil | Nil |
| 3 | Subhash Sapra & Sons(HUF) | 26600 | 0.76 | Nil | 26600 | 0.76 | Nil | Nil |
| 4 | Divya Sapra | 117200 | 3.35 | Nil | 117200 | 3.35 | Nil | Nil |
| 5 | Dhurv Sapra | 40800 | 1.17 | Nil | 43600 | 1.24 | Nil | 0.08 |
| 6 | Om Prakesh Sapra | 1400 | 0.04 | Nil | 0 | 0 | Nil | 0.04 |
| 7 | Sanjeev Sapra | 1400 | 0.04 | Nil | 0 | 0 | Nil | 0.04 |
| | Total | 9747600 | 27.82 | Nil | 9747600 | 27.82 | Nil | Nil |

(iii) Change in Promoters Shareholding (please specify, if there is no change):

| |
|--|
| ----- No changes during the year ----- |
|--|

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

| S.No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|-------|-------------------------------------|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | DD INVESTMENT PRIVATE LIMITED | 238500 | 6.81 | 238500 | 6.81 |
| 2 | KESHAV C VERMA | 145000 | 4.14 | 145000 | 4.14 |
| 3 | MEGHNA DEMBLA | Nil | Nil | 133700 | 3.82 |
| 4 | ASHOK KUMAR SOOD | 75100 | 2.14 | 75100 | 2.14 |
| 5 | KAMLESH KHURANA | 50100 | 1.43 | 50100 | 1.43 |
| 6 | PRABHA SHEOPURI | 39300 | 1.12 | 39300 | 1.12 |
| 7 | MANOJ SHEOPURI | 39000 | 1.11 | 39000 | 1.11 |
| 8 | NASIRUDDIN | 37500 | 1.07 | 37500 | 1.07 |
| 9 | MCR RAO | 73300 | 2.09 | 35600 | 1.02 |
| 10 | DHARAM VEER SINGH | 32500 | 0.92 | 32500 | 0.92 |

Note: The change in the shareholding in the above shareholders was due to buying/selling of shares by the shareholders on various dates. The Company has not allotted any shares, issued bonus/sweat equity during the year.

Hindustan Auto Finance Limited

(v) Shareholding of Directors and Key Managerial Personnel :

| S.No. | For each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year | 787200 | 22.48 | 787200 | 22.48 |
| 2 | Date-wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): | No Change | No Change | No Change | No Change |
| 3 | At the end of the year | 787200 | 22.48 | 787200 | 22.48 |

Note: 209000 equity shares of the Company are held by Mr. Subhash Sapra, Managing Director of the Company and 578200 equity shares of the company are held by Ms. Neera Sapra, Director and CFO of the Company , no other Director/Key Managerial Personnel hold any shares of the Company.

V) INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| • Addition | - | - | - | - |
| • Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

Hindustan Auto Finance Limited

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| S.No. | Particulars of Remuneration Director | Name of the Director | | Total Amount |
|-------|---|------------------------------------|--------------------------------------|---------------|
| | | Whole Time Director Neera Sapra | Whole Time Director Subhash Sapra | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 42000 | 90000 | 132000 |
| | (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 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission - as % of profit - others, specify... | - - | - - | - - |
| 5 | Others, please specify | - | - | - |
| | Total (A) | 42000 | 90000 | 132000 |
| | Ceiling as per the Act | | | |

B. Remuneration to other directors

1. Independent Director:

(In Rs.)

| Particulars of Remuneration | | | | Total Amount |
|--|---|---|---|--------------|
| Fee for attending Board/Committee meetings | - | - | - | - |
| Commission | | | | |
| Others | - | - | - | - |
| Total (B)(1) | | | | |

2. Non-Executive Director:

(In Rs.)

| Particulars of Remuneration | | Total Amount |
|--|---|--------------|
| Fee for attending Board/Committee meetings | - | - |
| Commission | - | - |
| Others, please specify | - | - |
| Total (B)(2) | - | - |
| Total (B) = (B)(1) + (B)(2) | - | - |
| Total Managerial Remuneration | - | - |
| Overall Ceiling as per the Act | - | - |

Hindustan Auto Finance Limited

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| S.No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|-------|---|--------------------------|-------------------|-------|-------|
| | | CEO | Company Secretary | CFO | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | 42000 | 42000 |
| | (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 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | | | | |
| | - as % of profit | - | - | - | - |
| | others, specify... | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | - | - | 42000 | 42000 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/NCLT/Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|---------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | Nil during the year | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | Nil during the year | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | Nil during the year | | |
| Compounding | | | | | |

REPORT ON CORPORATE GOVERNANCE

THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believes that Corporate Governance is a set of processes, customs, policies, rules, regulation and laws for ensuring transparency, professionalism and accountability in its dealings with its customers, principal, employees, shareholders and with every individual who comes in contact with the Company. The Company's philosophy on Corporate Governance is bounded upon a rich legacy of fair ethical governance practices which has been in practice since the beginning. Integrity, transparency, accountability and compliance with laws which are columns of good governance have always been the hallmark of company. The Company is in compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement entered into with the Stock Exchanges and in this regard, submits a report on the matters mentioned in the said clause and also the practices followed by the Company as stated below:

1. BOARD OF DIRECTORS

COMPOSITION OF THE BOARD OF DIRECTORS

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors ("the Board"). The Board of the Company is composed of eminent individuals from diverse fields. The Board acts with autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure. Every member of the Board, including the Non-Executive Directors, has full access to any information related to the Company.

The Board of the Company is composed of Executive and Non-Executive Directors. As on March 31, 2015, the strength of the Board was Four Directors comprising of two Executive and Two Non-Executive Directors including the Chairman of the Company. Fifty per cent of the Board comprised of Independent Directors.

The details of the Board of Directors as on March 31, 2015 are given below:

| Sr. | Name of Directors | Category of Director | Number of Board Meetings attended | Whether attended last AGM held on 13 th September, 2014 | Other directorships held at the year end | No. of committee Chairmanship in other co. | No of Committee membership in other co. |
|-----|--------------------|---------------------------|-----------------------------------|--|--|--|---|
| 1 | Subhash Sapra | Promoter Executive | 07 | Yes | 2 | Nil | Nil |
| 2 | Neera Sapra* | Promoter Executive | 07 | Yes | Nil | Nil | Nil |
| 3 | Mukhtar Singh | Independent Non executive | 07 | Yes | 2 | Nil | Nil |
| 4 | Rakhi | Independent Non executive | 04 | No | Nil | Nil | Nil |
| 5. | Man Singh Tosaria* | Independent Director | 02 | yes | 03 | Nil | Nil |

- **Ms. Meera Sapra appointed as Executive Director on the Board w.e.f. 31/03/2015**
- **Mr. Man Singh Tosaria ceased to be a director on the Board w.e.f . 27/09/2014**

(1) Membership and Chairmanship in Audit Committee and Stakeholder Relationship Committee of all public limited companies, whether listed or not, excluding Hindustan Auto Finance Limited.

Seven (7) Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

- | | |
|-----------------------------------|------------------------------------|
| - 09 th February, 2015 | - 27 th September, 2014 |
| - 19 th January, 2015 | - 8 th August, 2014 |
| - 1 st December, 2014 | - 29 th May, 2014 |
| - 05 th November, 2014 | |

Hindustan Auto Finance Limited

During the year, information as mentioned in Annexure X to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

The company has formulated a policy to familiarize the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes. The details of such familiarization programmes are disclosed in the website of the company

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 ("the Act") and Clause 49 of the Listing Agreement.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Board of Directors has laid down the code of conduct for all the Board members and members of the Senior Management of the Company. Additionally all independent directors of the company shall be bound by duties of independent directors as set out in the Companies Act, 2013 read with the Schedules and Rules there under.

All the Board members and Senior Management personnel have affirmed compliance with the code of conduct.

The Code of Conduct is available on the website of the company.

BOARD COMMITTEES

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has five committees i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Vigil Mechanism Committee. All the decisions pertaining to the constitution of the Committees, appointment of members, and fixing of terms of reference for committee members are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

AUDIT COMMITTEE

The audit committee was reconstituted in accordance with the provisions of Companies Act, 2013 and clause 49 of listing agreement by the Company. The major tasks performed by the audit committee may be grouped under the following heads:

Statutory audit, internal audit, reporting and other aspects

- i. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to the financial Information.
- ii. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible and ensuring timely submission to statutory authorities.
- iii. Reviewing the Management Discussion & Analysis of financial and operational performance.
- iv. Reviewing with the management, the quarterly financial statements and annual financial statements and auditor's report thereon before submission to the board for approval.
- v. Review the adequacy and effectiveness of the company's system and internal control.
- vi. Evaluation of internal financial controls and risk management systems.
- vii. To review the functioning of the Whistle Blower mechanism.

Audit & other duties

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Discussion with internal auditors of any significant findings and follow up there on.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and internal Auditors considering their independence and effectiveness and their replacement and removal.
- To recommend to the Board the remuneration of the Statutory Auditors and internal auditors.
- To grant approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

Hindustan Auto Finance Limited

Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2014-15 are given below:

| Name | Status | Category | No. of Meetings Attended during the year 2014-15 |
|--------------------|----------|------------------------|--|
| Mukhtar Singh | Chairman | Independent Director | 2 |
| Man Singh Tosaria* | Chairman | Independent Director | 2 |
| Rakhi | Member | Independent Director | 4 |
| Subhash Sapra | Member | Non Executive Director | 4 |

*Man Singh Tosaria ceased to be as a director on the board w.e.f 27/09/2014

Four Audit Committee meetings were held during the year and the gap between two meetings never exceeded four months.

The dates on which such meetings were held are as follows:

29th May, 2014 , 8th August, 2014 , 05th November, 2014 , 09th February, 2015

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration committee was reconstituted in accordance with the provisions of Companies Act, 2013 and clause 49 of listing agreement by the Company

The terms of reference of the committee are as follows:

4. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
5. Formulation of criteria for evaluation of Independent Directors and the Board;
6. Devising a policy on Board diversity;
7. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

Although no remuneration is paid to any director at present the company retains the option to do so in future. As and when it is done it shall be revealed in the report.

The committee meetings were held on 29th May, 2014 , 08th August, 2014 , 05th November, 2014 , 09th February, 2015 and all of the committee meetings were chaired during the year by Mukhtar Singh who has been appointed as chairman. And who was inducted in to the committee during the year also attended both of the meetings. The details of the composition of the Remuneration Committee are as under:

| NAME | Status | CATEGORY | No. of meeting during the year 2014-15 | |
|--------------------|----------|---------------------------|--|----------|
| | | | Held | Attended |
| Mukhtar Singh | Chairman | Independent Non Executive | 4 | 4 |
| Rakhi | Member | Independent Non Executive | 4 | 2 |
| Man Singh Tasoria* | Chairman | Independent Non Executive | 4 | 2 |
| Neera Sapra | Member | Non Executive | 4 | 4 |

*Man Singh Tasoria ceased to be as a director on the board w.e.f 27/09/2014

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Shareholders / Investors Grievance Committee was renamed and reconstituted as Stakeholders Relationship Committee.

The Committee performs following functions :

1. Transfer/Transmission of shares
2. Issue of Duplicate Share Certificates.
3. Review of Share dematerialization and rematerialization.
4. Monitoring the expeditious Redressal of Investor Grievances.
5. Monitoring the performance of company's Registrar & Transfer Agent.
6. All other matters related to the shares.

During 2014-15 the committee was chaired by Ms. Rakhi. At present the committee comprises of two Non-Executive Directors and one Executive director. Two meetings were held as under:

1. 8th August, 2014
2. 9th February, 2015

The details of composition of the Committee are as under:

| NAME | Status | CATEGORY | No. of meeting during the year 2014-15 | |
|--------------------|-------------|----------------------|--|----------|
| | | | Held | Attended |
| Rakhi | Chairperson | Independent Director | 2 | 1 |
| Man Singh Tosaria* | Chairman | Independent Director | 2 | 1 |
| Subhash Sapra | Member | Executive Director | 2 | 2 |
| Mukhtar Singh | Member | Independent Director | 2 | 2 |

* Man Singh Tosaria ceased to be a director on the board w.e.f 27/09/2014

No complaints were received from the shareholders during the year.

Whistle Blower Policy :

As per companies Act 2013 clause 49 of the listing agreement the board of directors of the company have formulated and adopted whistle Blower Policy which aims to provide a channel to the directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policy. The company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. In order to maintain these standards, the company encourages its employees who have genuine concerns about suspected misconduct to come forward and express those concerns without fear of punishment or unfair treatment.

Risk Management :

The Board of company has formed a risk management committee to frame, implement and monitor the risk management plan for the company. The committees is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area in the area of financial risk and controls. The board of directors has adopted and approved a risk management policy. Review of Risk and mitigation action initiated are presented to the audit committee and board reviewed regularly.

INDEPENDENT DIRECTORS' MEETING

During the year under review , the Independent Directors met on March 31, 2015, inter alia to discuss:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee discussed and thereafter decided upon the policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

1. Criteria of selection of Non Executive Directors

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing;
 - iii. Diversity of the Board.
- e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

2. Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board/Committee meetings and commission as detailed hereunder:

- i. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee meeting attended by him/her at his/her discretion of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. The Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- iii. The payment of such commission would be at the discretion of board only and shall not exceed 1% of the net profit of the Company;
- iv. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES

- I. In determining the remuneration of the Senior Management Employees the Committee shall ensure / consider the following:
 - i. the relationship of remuneration and performance benchmark is clear;

- ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.
6. The Independent Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors and thereafter shall recommend the annual increment and performance incentive to the Committee for its review and approval.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 and independence of judgment thereby safeguarding the interest of the Company. 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. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

Disclosures

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, strictures 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.

In accordance with requirement of Companies Act as well as listing agreement a vigil mechanism has been adopted by the board of directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. A link to such policy is also provided in the website of the company.

Compliances , rules & regulations as laid down by various statutory authorities has always been observed by the company since such change over both in letter as well as in spirit.

The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

Hindustan Auto Finance Limited

DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE NON EXECUTIVE DIRECTORS AS ON MARCH 31, 2015 ARE GIVEN BELOW:

| S. No. | Name | No. of Share held |
|--------|---------------|-------------------|
| 1. | Rakhi | Nil |
| 2. | Mukhtar Singh | Nil |

GENERAL BODY MEETING

The details of last three Annual General Meeting of the Company held are given below :

| Financial Year | Location of the Meeting | Date | Time |
|----------------|---|----------------------------------|-----------|
| 2013-14 | 18, Basement, NRI Complex, Greater Kailash, Part-IV, Delhi-110019 | 13 th September, 2014 | 3:00 pm |
| 2012-13 | Senior Tower 159/1 Gautam Nagar, New Delhi, Delhi-110049 | 30 th September, 2013 | 10:00 A.M |
| 2011-12 | Senior Tower 159/1 Gautam Nagar, New Delhi, Delhi-110049 | 29 th Septembet,2012 | 10:00 A.M |

No special resolutions were passed during the last Annual General Meetings. 3 resolutions were approached through postal ballot last year AND out of which 2 resolutions were passed through postal ballot for following purposes:

Details of Resolutions passed through postal ballot on 19/01/2015:

| Item No. | Resolution | Ordinary/ Special Resolution | Result |
|----------|---|------------------------------|--|
| 1. | Special Resolution under section 13 of the companies act, 2013 for alteration of main objects of the company. | Special Resolution | Passed |
| 2. | Special Resolution under section 13 of the Companies Act, 2013 for change in the name of the company. | Special Resolution | Couldn't be passed due to lack of majority |
| 3. | Special Resolution pursuant to the applicable provisions of the companies Act, 2013 for adoption of new set of article & memorandum of association in line with new companies act, 2013 | Special Resolution | Passed |

VII. SUBSIDIARY COMPANY

The Company does not have any subsidiary Company.

VIII. Means of communication

The quarterly, half-yearly and annual results of the Company are published in leading national English and Hindi newspapers. The results are also displayed on the Company's website www.hindaf.com

IX. General Shareholder Information

S.No. Information

- i. Annual General Meeting
 - Date and Time : 30th September, 2015 at 11:00 AM
 - Venue : (No. 114, Mall Road, GTB Nagar, Delhi-110009)
- ii. Financial Year ending : 31st March, 2015
- iii. Book Closure Date : 28th September , 2015 to 30th September, 2015 (Both days inclusive)
- iv. Listing on Stock Exchange : Metropolitan Stock Exchange of India Ltd.
- v. Dividend : Dividend is not recommended by the board for this year 2014-15
- vi. Outstanding DRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: As on date there are no outstanding warrants /bonds/ other instruments.
- vii. Registrar and Transfer Agent : Beetal Financial & Computer Services (P) Limited.

Hindustan Auto Finance Limited

viii. Distribution of Shareholdings as on March 31, 2015.

| Shareholding of Nominal value of Rs. 10/- | No. of Shareholders | % of Shareholders | No. of Shares held | Amount | % to total |
|---|---------------------|-------------------|--------------------|----------|------------|
| Up to 5000 | 267 | 35.18 | 78200 | 782000 | 2.2325 |
| 5001-10000 | 211 | 27.80 | 186000 | 1860000 | 5.3100 |
| 10001-20000 | 78 | 10.28 | 127500 | 1275000 | 3.6399 |
| 20001-30000 | 51 | 6.72 | 135000 | 1355000 | 3.8683 |
| 30001-40000 | 29 | 3.82 | 105200 | 1052000 | 3.0033 |
| 40001-50000 | 24 | 3.16 | 117000 | 1170000 | 3.3402 |
| 50001-100000 | 47 | 6.19 | 372400 | 3724000 | 10.6315 |
| 100001 & above | 52 | 6.85 | 2381000 | 23810000 | 67.9742 |

IX. Categories of Equity shareholder as on March 31, 2015

| | Category | No. of Shares | % of Holding |
|-----------|---|----------------|--------------|
| 1. | Promoters Holding | | |
| | i. Promoters - Indian Promoters | 974600 | 27.82 |
| | - Foreign Promoters | - | - |
| | ii. Persons acting in concert | - | - |
| | Sub Total | 974600 | 27.82 |
| 2. | Non Promoters Holding | | |
| | i. Institutional Investor | - | - |
| | ii. Mutual Fund and UTI | - | - |
| | iii. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions) | - | - |
| | iv. FII's | - | - |
| | Sub Total | | |
| 3. | Others | | |
| | i. Corporate Bodies | 248600 | 7.10 |
| | ii. Indian Public | 2052600 | 58.6 |
| | iii. NRI's/OCB's | 227000 | 6.48 |
| | iv. Any Other (HUF/Firm/Foreign Companies) Clearing Member | | |
| | Sub Total | 2528200 | 72.18 |
| | Grand Total | 3502800 | 100 |

- X Dematerialization of Shares The Equity shares of the Company are available for demat under both the depositories i.e NSDL & CDSL.
- Xi Demat ISIN Number INE806Q01018
- xi Delisting of shares The exchanges Delhi Stock Exchange, U.P Stock Exchange and Jaipur Stock Exchange have been declared closed by SEBI.
- xii. Registered Office No. 114, Mall Road, GTB Nagar, Delhi 110009
- xiii. Plant Location No. 114, Mall Road, GTB Nagar, Delhi 110009
- xiv Address for communication Shareholders correspondence should be addressed to the Company at the Registered Office of the Company or with the Registrar at their Corporate office at 99 Beetal House, 3rd Floor, Madangir, New Delhi-110062, Tel: 011-29961281, 29961282, Fax : 011-29961284,
- xv E-mail ID beetal@beetalfinancial.com

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FORWARD – LOOKING STATEMENT

Certain statements in the Management Discussion & Analysis Report detailing the Company’s objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectation of future event, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include economic conditions affecting domestic demand supply conditions, finish goods prices, changes in Government Regulations and Tax regime etc. The Company assumes no responsibility to publically amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

INDUSTRY STRUCTURE AND DEVELOPMENT

BUSINESS REVIEW

The Indian steel sector enjoys advantages of domestic availability of raw materials and cheap labour. Iron ore is also available in abundant quantities. This provides major cost advantage to the domestic steel industry.

the steel industry reflects the overall economic growth of an economy in the long term as demand for steel is derived from other sectors like automobiles, consumer durables and infrastructure.

OPPORTUNITIES

Your Company is considering to venture into the business of real estate development in Commercial as well as residential. For infrastructure creation your company will apply to get the approval of the central government and the members for the amendment in the main objects and change of name of the company.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUECY

The Company has adequate internal control procedures commensurate with the size and nature of the business. It is to ensure that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly, to keep constant check on the cost structures and to prevent revenue leakages.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statement has been prepared in accordance with the requirements of The Companies Act, 1956 and applicable accounting standards issue by the ICAI. The Details of the financial performance of the company are appearing in the Balance Sheet, Profit & Loss Accounts and others financial statements forming part of this annual report. For financial highlights please refer heading ‘FINANCIAL STATEMENT’.

HUMAN RESOURCES DEVELOPMENT:

The Company regards its human resources as amongst its most Valuable assets and proactively reviews policies and processes by creating a work environment that encourages potential of its employees attracting and retaining the best manpower available by providing high degree of motivation, Training and structured compensation was the main thrust of the Human Resources Department this year.

Your Company belief in thrust, transparency & teamwork to improve empolyee’s productivitiy at all levels.

For and on behalf of the Board

Date : 28.08.2015
Place : New Delhi

Sd/-
Subhash Sapra
Chairman

Hindustan Auto Finance Limited

CEO/CFO Certification Under Clause 49(ix) of the Listing Agreement

I, Neera Sapra, Chief Financial Officer responsible for the finance function certify that:

- a) I have reviewed the financial statements and cash flow statement for the year ended 31st March 2015 and to the best of our knowledge and belief:
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2015 are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) i. There has not been any significant change in internal control over financial reporting during the year under reference;
- ii. Changes in accounting policies during the year have been disclosed in the notes to the financial statements; and
- iii. I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Date : 28.08.2015

Place : Delhi

Sd-

Neera Sapra

Chief Financial Officer

COMPLIANCE WITH CODE OF CONDUCT

I, Subhash Sapra, Whole Time Director of the Company hereby certify that all the Directors and the Key Management Personnel have affirmed compliance of the Code of Conduct of the Company for the Financial Year ended March 31, 2015.

Date : 28.08.2015

Place : Delhi

Sd-

Subhash Sapra

Chairman

INDEPENDENT AUDITOR'S REPORT

To
the Members of
HINDUSTAN AUTO FINANCE LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, we give in the Annexure a statement on the

Hindustan Auto Finance Limited

matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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.
- 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 books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For **RAVI CHOPRA & ASSOCIATES**
Chartered Accountants

RAVI CHOPRA
Partner
M.No. 083390
FRN 007335N

Place : New Delhi
Dated : 29th May, 2015

The Annexure referred to in paragraph 1 of Our Report on Other Legal and Regulatory Requirements.

We report that:

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
- ii. (a) Since the company does not carry any inventories during the year under review therefore provisions of para (2) (a), (b) & (c) of the order are not applicable.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

Hindustan Auto Finance Limited

- (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- v. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
- vi. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- ix. (a) The Company has not deposited a sum of Rs. 86,291/- being the income tax demand in respect of A.Y. 2001-2002, which has neither been disputed by the company and also remained unpaid for more than six months as on 31st of March, 2015.
- (b) The following disputed statutory dues aggregating to Rs. 1,54,388/- have not been deposited, however, the appeal filed has been disposed off the by Id. CIT (A), Meerut and the appeal effect towards the same is yet to be received from the Income Tax department:-

| S.No | Name of the Statute | Nature of Dues | Forum where dispute is pending | Amount in Rs. |
|------|----------------------|----------------|---|---------------|
| 1. | Income Tax Act, 1961 | Income Tax | Commissioner of Income Tax (Appeal), Meerut | 1,54,388.00 |

- x. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders, as applicable to the company.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, is not applicable to the Company.
- xiv. According to information and explanations given to us, the Company is not dealing or trading in Shares, securities, debentures and other investments. According the provisions of clause 4(xiv) of the Order is not applicable to the company.
- xv. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
- xvi. Based on our audit procedures and on the information given by the, management, the company has not taken any term loan during the year.
- xvii. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the

Hindustan Auto Finance Limited

Company as at 31st March, 2015, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

- xviii. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act.
- xix. The Company has not issued any secured outstanding debentures during the period.
- xx. The Company has not raised any money by public issue during the year.
- xxi. According to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For RAVI CHOPRA & ASSOCIATES
Chartered Accountants

RAVI CHOPRA
Partner
M.No. 083390
FRN 007335N

Place : New Delhi
Dated : 29th May, 2015

Annexure VII to Clause 41

Auditor's Report On Quarterly Financial Results and year to date Financial Results of Hindustan Auto Finance Limited Pursuant to the Clause 41 of the Listing Agreement

To

Board of Directors of Hindustan Auto Finance Limited

We have audited the quarterly financial results of Hindustan Auto Finance Limited ("the company") for quarter ended March, 2015 and year to date financial results for the period from 1st of April, 2014 to 31st of March, 2015, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, 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 of September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

(i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard;

and

(ii) give a true and fair view of the net profit/ loss and other financial information for the quarter ended 31st of March, 2015 as well as the Standalone year to date results for the period form 1st of April, 2014 to 31st of March, 2015.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For **RAVI CHOPRA & ASSOCIATES**
Chartered Accountants

RAVI CHOPRA
Partner

M.No. 083390

FRN 007335N

Place : New Delhi

Dated : 29th May, 2015

Hindustan Auto Finance Limited

| Balance Sheet as at 31st March, 2015 | | | |
|--|--|--|---|
| Particulars | Note No. | 2014-15 | 2013-14 |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2.1 | 35,028,000 | 35,028,000 |
| (b) Reserves and Surplus | 2.2 | (10,201,115) | (10,273,035) |
| (2) Non-Current Liabilities | | | |
| (a) Other long term liability | 2.3 | 1,036,386 | 1,249,717 |
| (3) Current Liabilities | | | |
| (a) Trade payables | 2.4 | 11,106 | 5,040 |
| (b) Other current liabilities | 2.5 | 229,508 | 83,788 |
| (c) Short-term provisions | | - | - |
| Total | | 26,103,885 | 26,093,510 |
| II. Assets | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 2.6 | 82,263 | 119,970 |
| (b) Deferred tax assets (net) | | - | - |
| (c) Long term loans and advances | | - | - |
| (d) Non current investment | | - | - |
| (e) Other non current assets | 2.7 | 7,737,645 | 7,321,445 |
| (2) Current assets | | | |
| (a) Trade receivables | 2.8 | 16,999,341 | 17,858,059 |
| (b) Cash and Bank Balances | 2.9 | 1,121,336 | 487,726 |
| (c) Other current Assets | 2.10 | 163,300 | 306,310 |
| Total | | 26,103,885 | 26,093,510 |
| Significant Accounting Policy And Notes On Accounts Forming Part Of Balance Sheet | 1 to 2 | | |
| As Per our Report Of Even Date For RAVI CHOPRA & ASSOCIATES Chartered Accountants | | For and on behalf of Board | |
| Sd/- RAVI CHOPRA (Partner) M.No. 083390 FRN 007335N Place : New Delhi Date : 29.05.2015 | Sd/- SUBHASH SAPRA (Chairman) | Sd/- NEERA SAPRA (Director) | Sd/- NEERA SAPRA (Chief Financial Officer) |

Hindustan Auto Finance Limited

Profit and Loss statement for the year ended 31st March, 2015

| Particulars | Note No. | 2014-15 | 2013-14 |
|---|------------|------------------|------------------|
| I. Revenue from operations | 2.11 | 1,569,255 | 1,233,438 |
| II. Total Revenue | | 1,569,255 | 1,233,438 |
| III. Expenses: | | | |
| Purchase of Stock-in-Trade | 2.12 | 292,425 | - |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | | - | - |
| Employee benefit expense | 2.13 | 312,000 | 198,000 |
| Financial costs | 2.14 | 44,324 | 9,670 |
| Depreciation and amortization expense | 2.6 | 37,707 | 29,153 |
| Other expenses | 2.15 | 452,907 | 465,307 |
| Total Expenses | | 1,139,363 | 702,130 |
| IV. Profit before exceptional and extraordinary items and tax | (II - III) | 429,892 | 531,308 |
| V. Exceptional Items | 2.16 | 8 | 20 |
| VI. Profit before extraordinary items and tax (V - VI) | | 429,900 | 531,328 |
| VII. Extraordinary Items | | - | - |
| VIII. Profit before tax (VI - VII) | | 429,900 | 531,328 |
| IX. Tax expense: | 2.17 | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | - | - |
| (3) Income tax adjustment | | 357,980 | - |
| X. Profit(Loss) from the period from continuing operations | (VIII-IX) | 71,920 | 531,328 |
| XI. Profit/(Loss) for the period | | 71,920 | 531,328 |
| XII. Earning per equity share: | 2.18 | | |
| (1) Basic | | 0.02 | 0.15 |
| Significant Accounting Policy And Notes On Accounts Forming Part Of Balance Sheet | 1 to 2 | | |

As Per our Report Of Even Date
For **RAVI CHOPRA & ASSOCIATES**
Chartered Accountants

For and on behalf of Board

Sd/-
RAVI CHOPRA
(Partner)
M.No. 083390
FRN 007335N
Place : New Delhi
Date : 29.05.2015

Sd/-
SUBHASH SAPRA
(Chairman)

Sd/-
NEERA SAPRA
(Director)

Sd/-
NEERA SAPRA
(Chief Financial Officer)

Hindustan Auto Finance Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

| PARTICULARS | As at 31.03.2015 | | As at 31.03.2014 | |
|--|------------------|--------|------------------|--------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before tax and extra ordinary items | | 0.72 | | 5.31 |
| Adjustment for : | | | | |
| Depreciation | 0.38 | | 0.29 | |
| Hire income | -9.92 | | -9.83 | |
| Brokerage | -2.25 | | -2.50 | |
| Sales | -3.52 | | 0.00 | |
| Balance w/off | 0.00 | | 0.00 | |
| Interest paid | 0.44 | -14.87 | 0.10 | -11.94 |
| | | -14.15 | | -6.63 |
| Operating profit before working capital changes | | -14.15 | | -6.63 |
| Adjustment for Working Capital : | | | | |
| Increase / Reduction in inventory | 0.00 | | 0.00 | |
| (Increase) / Reduction Trade receivables | 8.58 | | -13.18 | |
| Increase / (Reduction) Trade payables | 0.00 | 8.58 | 0.00 | -13.18 |
| Cash flow before extra ordinary items | | -5.57 | | -19.81 |
| Provision Tax | | 0.00 | | 0.00 |
| Net cash flow from operating activities | | -5.57 | | -19.81 |
| B. CASH FLOW FROM INVESTMENT ACTIVITIES | | | | |
| Sales | 3.52 | | 0.00 | |
| Hire income | 9.92 | | 9.83 | |
| Brokerage | 2.25 | | 2.50 | |
| Sale of Fixed Assets | 0.00 | | 0.00 | |
| Purchase of Current Investment | 0.00 | | 0.00 | |
| Sale proceeds of Investment | 0.00 | 15.69 | 0.00 | 12.33 |
| Net cash flow from investing activities | | 15.69 | | 12.33 |

Hindustan Auto Finance Limited

| PARTICULARS | As at 31.03.2015 | | As at 31.03.2014 | |
|--|------------------|-------|------------------|-------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Increase/(Repayment) Loan of Financial Institutions | | 0.00 | | 0.00 |
| Income / (Repayment) of Short Term Advances | | 1.43 | | -0.71 |
| Increase/ Reduction of other creditors | | -0.62 | | -5.91 |
| Increase/ Reduction of Long Term Advances | | -4.16 | | 14.24 |
| Interest paid to Financial Institutions | | -0.44 | | -0.10 |
| Net cash flow from financing activities | | -3.79 | | 7.52 |
| Net Increase/(decrease) in cash and cash equivalents (A+B+C) | | 6.33 | | 0.04 |
| Opening Cash and cash equivalents | | 4.88 | | 4.84 |
| Closing Cash and cash equivalents | | 11.21 | | 4.88 |

As Per our Report Of Even Date
For **RAVI CHOPRA & ASSOCIATES**
Chartered Accountants

For and on behalf of Board

Sd/-
RAVI CHOPRA
(Partner)
M.No. 083390
FRN 007335N
Place : New Delhi
Date : 29.05.2015

Sd/-
SUBHASH SAPRA
(Chairman)

Sd/-
NEERA SAPRA
(Director)

Sd/-
NEERA SAPRA
(Chief Financial Officer)

NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT AS ON 31ST MARCH'2015

CORPORATE INFORMATION

The company is incorporated under Companies Act 1956 and the main source of revenue of the company is lease income. The Company has followed Prudential Norms of RBI for Non-Banking Financial Companies (NBFCs) with regard to asset classification, recognition, investments and provisioning.

1. SIGNIFICANT ACCOUNTING POLICIES:-

1) BASIS OF ACCOUNTING

The financial statements have been drawn up under the historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India and Accounting Standards (AS) as notified under the Companies (Accounting Standards) Rules, 2006.

2. REVENUE RECOGNITION

- a) Additional Hire Charges / Lease Charges are in the nature of compensation charges and Penal Charges are on recognised basis.
- b) Hire Purchase Income is apportioned equally over the Hire Period. However, for cases financed after 1-4-1997, income has been computed on the IRR method.
- c) The prudential Norms prescribed by the RBI regarding the Non-Performing Assets are being followed by the company and no income is recognised in respect of non-performing Assets.

3. STOCK ON HIRE

Stock on Hire has been valued at cost plus total finance charges as reduced by the installments, which have matured during the relevant period.

4. FIXED ASSETS/DEPRECIATION

OWN ASSETS

- a) Fixed assets are shown at historical cost less accumulated depreciation.
- b) Depreciation on fixed assets is provided on straight-line method at the rates prescribed under Schedule XIV to the Companies Act, 1956 on prorata basis.

LEASED ASSETS

With effect from 1st April'1997 the lease equalization on leased assets acquired after the date is computed as per the mentioned recommended by the Institute of Chartered Accountants of India (ICAI) by charging the cost of assets over the primary lease period through lease equalization account.

5. INVESTMENTS

- a) Investments are classified as long term or short term depending upon the intention to sell the same. Generally, investments which are readily realizable and are intended to be held for not more than one year from the date of investments are leading as short term investments.
- b) In term of prudential norms of Reserve Bank of India, the long term investments are valued as cost. The quoted short terms investments are valued at cost market price which ever is lower. The unquoted short-term investments are valued at cost or break up value, whichever is lower.
- c) Provision for diminution in the value of current investment is made on an individual scrip basis. No provisions are made for temporary diminution in value of permanent investment.

6. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent Assets are neither recognized nor disclosed in the financial statements.

7. EARNING PER SHARE

Earning per share is computed after dividing earnings available for equity shareholders with weighted average number of equity shares outstanding at the year end.

2. NOTES TO ACCOUNTS:-

1. CONTINGENT LIABILITIES:

CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBTS:

| PERIOD | AMOUNT | LEVEL OF AUTHORITY | NATURE |
|---------------|----------------|--------------------|------------|
| AY: 2001-2002 | Rs. 1,54,388/- | C.I.T (A)-Meerut | Income Tax |

2. EARNING PER SHARE

| PARTICULARS | 2014-15 | 2013-14 |
|--|-----------|-----------|
| Earnings available for equity shareholders | 71,920 | 5,31,328 |
| Weighted average number of equity share | 35,02,800 | 35,02,800 |
| Earning per share | 0.02 | 0.15 |

3. RELATED PARTY DISCLOSURE

Parties where control exist:

Persons having significant control- 1)Subhash Sapra

2)Neera Sapra

Key managerial person- 1)Subhash Sapra

2)Neera Sapra

Nature of transaction-Managerial Remuneration

Volume of Transaction- CY: Rs. 1,32,000(Dr.)

PY: Rs. 18,000(Dr.)

Closing Balance of Transaction- CY: Rs. NIL

PY: Rs. NIL

Hindustan Auto Finance Limited

4. **PAYMENT TO AUDITORS**

| PARTICULARS | 2014-15 | 2013-14 |
|--------------------|----------------|----------------|
| Audit fees | 10,000 | 10,000 |

5. Previous year figures are regrouped and rearranged according to the requirement of schedule VI. Assets and liabilities are classified as current and non current based on the period of the operating cycle of the business and in case of absence of period of operating cycle it can be considered to be at least equal to 12 months.

6. **Other disclosure requirements of schedule VI**

Details of services provided

| PARTICULARS | 2014-15 | 2013-14 |
|--------------------|-----------------|----------------|
| Brokerage | 2,25,000 | 2,50,000 |

7. Debtors and creditors are subject to confirmation

8. These notes are integral part of financial statement for financial year 2014-15

As Per our Report Of Even Date
For **RAVI CHOPRA & ASSOCIATES**
Chartered Accountants

For **HINDUSTAN AUTO FINANCE LIMITED**

Sd/-
RAVI CHOPRA
(Partner)
M.No. 083390
FRN 007335N
Place : New Delhi
Date : 29.05.2015

Sd/-
SUBHASH SAPRA
(Chairman)

Sd/-
NEERA SAPRA
(Director)

Sd/-
NEERA SAPRA
(Chief Financial Officer)

Hindustan Auto Finance Limited

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in Rs.)

| PARTICULARS | AS AT 31.03.2015 | AS AT 31.03.2014 |
|--|--------------------------|----------------------------|
| NOTE NO.-2.1 | | |
| SHARE CAPITAL | | |
| Authorised | | |
| 60,00,000 Equity Share of Rs. 10/- each | <u>60,000,000</u> | <u>60,000,000</u> |
| Issued, Subscribed & paid-up | | |
| 3502800 equity Shares of Rs.10/- each Fully Paid-Up | <u>35,028,000</u> | <u>35,028,000</u> |
| | <u>35,028,000</u> | <u>35,028,000</u> |
| Disclosure requirement pursuant to Note no.2.1 of schedule VI | | |
| SHAREHOLDERS HOLDING MORE THAN 5% SHARE HOLDING IN THE COMPANY | <u>PERCENTAGE</u> | <u>No. OF SHARE</u> |
| SUBHASH SAPRA | 5.97 | 209,000 |
| NEERA SAPRA | 16.51 | 578,200 |
| D D INVESTMENT PVT LTD | 6.81 | 238,500 |
| KESHAV C VERMA | 5.00 | 175,000 |
| RECONCILIATION STATEMENT OF SHARES OUTSTANDING AT THE END OF THE YEAR | | |
| | <u>2014-15</u> | <u>2013-14</u> |
| Opening balance of equity shares | 3,502,800 | 3,502,800 |
| Add: Shares Issued during the year | - | - |
| Less: Shares Buy Back during the year | - | - |
| Closing balance of the equity shares | <u>3,502,800</u> | <u>3,502,800</u> |
| NOTE NO.-2.2 | | |
| RESERVES & SURPLUS | | |
| Reserve Fund u/s 451C of the Reserve Bank of India Act,1934 | | |
| Opening Balance | 772,700 | 772,700 |
| Opening Balance of Profit & Loss Account | (11,045,735) | (11,577,063) |
| Add: Net Profit as per Profit & Loss | 71,920 | 531,328 |
| | <u>(10,201,115)</u> | <u>(10,273,035)</u> |
| NOTE NO.-2.3 | | |
| OTHER LONG TERM LIABILITIES | | |
| Other Liabilities | 86,291 | 299,614 |
| Advance from Customers | 950,095 | 950,103 |
| | <u>1,036,386</u> | <u>1,249,717</u> |

Hindustan Auto Finance Limited

(Amount in Rs.)

| PARTICULARS | AS AT 31.03.2015 | AS AT 31.03.2014 |
|----------------------------------|---------------------|---------------------|
| NOTE NO.-2.4 | | |
| TRADE PAYABLES | 11,106 | 5,040 |
| | 11,106 | 5,040 |
| NOTE NO.-2.5 | | |
| OTHER CURRENT LIABILITIES | | |
| Cheque issued not presented | 218,890 | 78,788 |
| Expense Payable | 10,618 | 5,000 |
| | 229,508 | 83,788 |

NOTE NO.-2.6
TANGIBLE ASSETS

| BLOCK OF ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|----------------------------------|--------------------------|--------------------------|-----------|--------------------------|---------------------|-----------------|-----------|---------------------|---------------------|---------------------|
| | Cost as on 31.03.2014 | Additions Adjustments | Deduction | Cost as on 31.03.2015 | Up To 31.03.2014 | For the Year | Deduction | Up to 31.03.2015 | As at 31.03.2015 | As at 31.03.2014 |
| OWN ASSETS | | | | | | | | | | |
| SAFE, FURNITUE & FIXTURE | 360,378 | - | - | 360,378 | 348,768 | 10,154 | - | 358,922 | 1,456 | 11,610 |
| MACHINERY & OFFICE EQUIPMENTS | 947,742 | - | - | 947,742 | 839,382 | 27,553 | - | 866,935 | 80,807 | 108,360 |
| Total | 1,308,120 | - | - | 1,308,120 | 1,188,150 | 37,707 | - | 1,225,857 | 82,263 | 119,970 |
| Previous Year | (1,308,120) | - | - | (1,308,120) | (1,158,997) | (29,153) | - | (1,188,150) | (119,970) | (149,123) |

NOTE NO.-2.7

OTHER NON CURRENT ASSETS

| | | |
|---|------------------|-----------|
| Long-term receivable (Unsecured considered good) | 7,737,645 | 7,321,445 |
| | 7,737,645 | 7,321,445 |

NOTE NO.-2.8

TRADE RECEIVABLE

| | | |
|---------------------------------------|-------------------|------------|
| Unsecured considered good Outstanding | | |
| More than Six months | 16,999,341 | 17,858,059 |
| Less than Six months | - | - |
| | 16,999,341 | 17,858,059 |

Hindustan Auto Finance Limited

(Amount in Rs.)

| PARTICULARS | AS AT 31.03.2015 | AS AT 31.03.2014 |
|-------------------------------------|---------------------|---------------------|
| NOTE NO.-2.9 | | |
| CASH AND BANK BALANCES | | |
| Cash in hand | 1,116,336 | 482,726 |
| | <u>1,116,336</u> | <u>482,726</u> |
| Balance with scheduled banks | | |
| - in Current Accounts | 5,000 | 5,000 |
| | <u>1,121,336</u> | <u>487,726</u> |
| NOTE NO.-2.10 | | |
| OTHER CURRENT ASSETS | | |
| Other Advances and Deposits | 163,300 | 306,310 |
| | <u>163,300</u> | <u>306,310</u> |
| NOTE NO.-2.11 | | |
| REVENUE FROM OPERATIONS | | |
| Revenue from Trading | | |
| Sales | 352,100 | - |
| Revenue from services | | |
| Hire Charges | 992,155 | 983,438 |
| Brokerage | 225,000 | 250,000 |
| | <u>1,569,255</u> | <u>1,233,438</u> |
| NOTE NO.-2.12 | | |
| PURCHASE OF STOCK IN TRADE | | |
| Purchase | 292,425 | - |
| | <u>292,425</u> | <u>-</u> |
| NOTE NO.-2.13 | | |
| EMPLOYEE BENEFIT EXPENSES | | |
| Salaries and other benefits | 180,000 | 180,000 |
| Director Remuneration | 132,000 | 18,000 |
| | <u>312,000</u> | <u>198,000</u> |

Hindustan Auto Finance Limited

(Amount in Rs.)

| PARTICULARS | AS AT 31.03.2015 | AS AT 31.03.2014 |
|---------------------------------------|---------------------|---------------------|
| NOTE NO.-2.14 | | |
| FINANCE COST | | |
| Bank charges | 2,624 | 2,670 |
| Interest paid | 41,700 | 7,000 |
| | <u>44,324</u> | <u>9,670</u> |
| NOTE NO.-2.15 | | |
| OTHER EXPENSES | | |
| Printing & Stationary | 7,711 | 11,540 |
| Vehical Running & Maintainance | 7,660 | 44,800 |
| Entertainment Expenses | 8,152 | 10,162 |
| Postage, Telegram, Telephone Expenses | 12,558 | 21,359 |
| Charity & Donations | - | 250 |
| Miscellaneous Expenses | 9,090 | 64,787 |
| Rent | 9,600 | 9,600 |
| Staff Welfare | 1,713 | 10,586 |
| Legal & Professional Charges | 329,170 | 215,209 |
| Travelling Expenses | 48,940 | 62,513 |
| Festival Expenses | 8,313 | - |
| Electricity & Water Charges | - | 4,501 |
| Auditor's remuneration | | |
| Audit Fees | 10,000 | 10,000 |
| | <u>452,907</u> | <u>465,307</u> |
| NOTE NO.-2.16 | | |
| EXCEPTIONAL ITEMS | | |
| Profit on Sale of Fixed Assets | - | - |
| Liabilities Written Back | - | - |
| Option Money Received | 8 | 20 |
| | <u>8</u> | <u>20</u> |

Hindustan Auto Finance Limited

(Amount in Rs.)

| PARTICULARS | AS AT 31.03.2015 | AS AT 31.03.2014 |
|--------------------------------------|-----------------------------|-----------------------------|
| NOTE NO.-2.17 | | |
| TAX EXPENSES | | |
| Current tax | - | - |
| Deferred tax | - | - |
| Income tax adjustment | 357,980 | - |
| | <hr/> 357,980 <hr/> | <hr/> - <hr/> |
| NOTE NO.-2.18 | | |
| EARNING PER SHARE | | |
| Earning on per share of Rs.10/- each | 0.02 | 0.15 |
| | <hr/> 0.02 <hr/> | <hr/> 0.15 <hr/> |

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Hindustan Auto Finance Limited

PROXY FORM

Form No. MGT-11

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

Hindustan Auto Finance Limited

CIN : L65910DL1980PLC010617

Registered Office : No. 114, Mall Road , GTB Nagar, Delhi-110009

| | | | |
|------------------------|--|-------|--|
| 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 Hindustan Auto Finance Limited, hereby appoint:

- Name : Address:
E-mail Id: Signature: or failing him/her
- Name : Address:
E-mail Id: Signature: or failing him/her
- Name : Address:
E-mail Id: Signature: or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the company, to be held on Wednesday, the 30th day of September, 2015 at 11:00 am at the Registered Office of the company at **No. 114, Mall Road , GTB Nagar, Delhi-110009** and at any adjournment thereof in respect of such resolutions as are indicated below:

| No. | Resolutions | For | Against |
|-----|--|-----|---------|
| 1. | Adoption of Annual Accounts and Reports thereon for the financial year ended March 31, 2015 | | |
| 2. | Reappointment of Ms. Neera Sapra as the Director of the Company. | | |
| 3. | To re-appoint M/s. Ravi Chopra & Associates, Chartered Accountant, as auditors of the company. | | |
| 4. | Appointment of Mr. Subhash Sapra as the Whole Time Director of the Company. | | |
| 5. | Appointment of Ms. Rajni Gupta as Independent Director for the period of 5 Years. | | |

Signed on theday of....., 2015

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue
Stamp of
Rs. 1/-

Notes:

- A Proxy need not be a member of the Company.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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.
- This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Hindustan Auto Finance Limited

CIN : L65910DL1980PLC010617

Registered Office : No. 114, Mall Road , GTB Nagar, Delhi-110009

ADMISSION SLIP/RECORDS UPDATION FORM

| | |
|-------------------------------------|--|
| Folio No./ DP ID & Client ID | |
| Name of the First Registered Holder | |
| Name of the Joint Holder (s) | |
| Registered Address | |
| E-mail Id (to be registered) | |

Please register/updated my/our e-mail id for sending all future companies correspondence.

I HEREBY RECORD MY PRESENCE AT THE 35th ANNUAL GENERAL MEETING OF HINDUSTAN AUTO FINANCE LIMITED ON Wednesday, 30th September, 2015 AT 11:00 AM AT NO. 114, MALL ROAD , GTB NAGAR, DELHI-110009

.....

Date :

First Holder Signature

Notes:

1. Shareholders/Proxies who come to attend the meeting are requested to bring their copies of the Annual Report and Admission Slip with them.
2. Shareholders having queries are requested to send them Seven days in advance of the date of Annual General Meeting of the Company to enable it to collect the relevant information.
3. This Admission slip is valid only in case shares are held on the date of this AGM.

Hindustan Auto Finance Limited

CIN : L65910DL1980PLC010617

Registered Office : No. 114, Mall Road , GTB Nagar, Delhi-110009

Sl. No.....

BALLOT PAPER

35th ANNUAL GENERAL MEETING of the members of the company to be held at Registered office of the company 114, Mall Road , GTB Nagar, Delhi-110009

| | |
|--|--|
| Folio No./ DP ID & Client ID | |
| No. of Shares Held | |
| Name of the Shareholder or name of the Proxy | |

| S. No. | Brief of Resolutions | In favor of resolutions* | Against the Resolutions |
|--------|---|--------------------------|-------------------------|
| 1. | To receive, consider and adopt the Audited financial statements of the Company for the financial year ended 31st March, 2015, the reports of the Board of Directors and Auditors thereon. | | |
| 2. | To Appoint Mr. Subhash Sapra as managing Director of the company under section 196 and 197 of the Companies act, 2013 for the period of 5 years from Conclusion of this Annual General Meeting. | | |
| 3. | To re-appoint M/s. Ravi Chopra & Associates, Chartered Accountant, as auditors of the company. | | |
| 4. | To re-appoint Ms. Neera Sapra as director of the company under section 152 of the companies act, 2013. | | |
| 5. | To appoint Ms. Rajni Gupta as indepent director of the company under section149 and 152 of the companies act, 2013. | | |

Signature of Member(s)/proxy

* Please tick in the appropriate column

Hindustan Auto Finance Limited

CIN : L65910DL1980PLC010617

Registered Office : No. 114, Mall Road , GTB Nagar, Delhi-110009

ATTENDANCE SLIP

| 35 th ANNUAL GENERAL MEETING | |
|---|--|
| Folio No./ DP ID & Client ID | |
| Name and Address of the Shareholder | |

1. **I/We hereby record my/our presence at the 35th Annual General Meeting of the Company being held on Wednesday, the 30th September, 2015 at 11.00 A.M. at No. 114, Mall Road , GTB Nagar, Delhi-110009 to transact the following business:**
2. Signature of the shareholder/Proxy present.....
3. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the ENTRANCE OF THE MEETING HALL duly signed.
4. Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

ELECTRONIC VOTING PARTICULARS

| Electronic Voting Sequence Number (EVSN) | User ID | Password / PIN |
|--|--|---|
| 150901064 | Please enter your DP ID / CL ID or Folio No. | Use your existing password or enter your PAN with Bank A/c. No. / Date of Birth |

Note :

Please read the instructions printed under the Note No. 13 to the Notice of the 35th Annual General Meeting. The Voting period starts from 09.00 a.m.(IST) on 27th September, 2015 and ends at 5.00 p.m. (IST) on 29th September, 2015. The voting module shall be disabled by CDSL for voting thereafter.

BOOK POST

If undelivered please return to :

Hindustan Auto Finance Limited

No. 114, Mall Road, GTB Nagar, Delhi-110009