

HASTI FINANCE LIMITED



11th Annual Report
2004 - 2005



BOARD OF DIRECTORS

WE KNOW THE VALUE OF MONEY

Sri SURESH CHAND SURANA

Managing Director

Sri D.K. SURANA

Sri MANOHARAN V.

Sri PADAM CHAND SURANA

Sri VENKATESAN

REGISTERED OFFICE :

34, Erullappan Street,
Sowcarpet, Chennai - 600 079.
Phone : 044 - 25394320,25394363

BRANCH OFFICE :

705, Madurai Road
Theni - 625 531.
Phone : 04546 - 255182

AUDITORS :

D.K.Golchha & Co.,
Chartered Accountants
3, Nyniappa Naicken Street
3rd Floor, Park Town
Chennai - 600 003.

BANKERS :

Indian Overseas Bank
Tamilnadu Mercantile Bank Ltd.
Indian Bank
Federal Bank

REGISTRARS AND TRANSFER AGENTS :

CAMEO Corporate Services Ltd.,
'SUBRAMANIAM BUILDINGS'
No.1, Club House Road
Chennai - 600 002.
Phone : 28460390



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NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the Company will be held on 30th September 2005 at 10.00 a.m. at No.205,2ndFloor,Kaveri Complex,96\104Nugambakkam High Road, CHENNAI – 600 034. to transact the following business,

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2005, and Profit and Loss Account for the year ended 31st March 2005 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Sri. P.Venkateshan, who retires by rotation as per Articles 42(1) of the Articles of Association of the Company and who, being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration. The retiring Auditors M/s.D.K. Golchha & Co., Chartered Accountant, Chennai are eligible for re-appointment. In this connection to consider and if thought fit, to pass, with or without modification(s) the following resolution as an ordinary resolution.

Resolved that M/s.D.K. Golchha & Co., Chartered Accountants, Chennai be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the Conclusion of the next Annual General Meeting on a remuneration of Rs.20, 000- (Rupees twenty thousand only) in addition to reimbursement of out of pocket expenses.

SPECIAL BUSINESS:

To consider and if thought fit to pass the following resolution as an ordinary resolution with or without modification.

4. "RESOLVED" that pursuant to provision of section 198, 269, 309,310, 311 and read with schedule XIII and any other applicable provisions if any of the companies act 1956, and subject to other approvals, if required. Approvals of the Share Holder be and hereby accorded to the re-appointment of Shri Suresh Chand Surana who fulfills the conditions specified in Part I, Part II, and Part III of Schedule XIII to the Companies Act, 1956, be and is hereby re-appointed as Managing Director of the Company for another period of five years from 1st December 2005 on the remuneration Rs.20,000.00 per month and that he may be paid remuneration by way of salary, commission and perquisites in accordance with Part II of Schedule XIII of the Act.
Increase in the remuneration of the whole time director
5. "RESOLVED" that pursuant to the provision of Section 310 of the Companies Act 1956 the consent of the company be and is hereby accorded to the increase in the remuneration of Shri Padam Chand Surana the whole time director of Company from Rs. 10,000.00 to Rs. 15,000.00 per month by way of consolidated salary with affect from 1.10.2005. And other terms will remain and unchanged.

By order of the Board
For **HASTI FINANCE LTD**

(Sd/-)
Suresh Chand Surana
Managing Director



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NOTES:

1. Member who hold shares in dematerialised form are requested to indicate without fail their DP ID and client ID Numbers in the attendance slip.
2. Nomination for physical shares :
Members holding shares in physical form are encouraged to nominate a person to whom his shares in the Company shall vest in the event of his Death.
3. Holding shares in Identical order of Names:
Members holding shares in Identical order of Names in more than one folio are requested to write to Registrars and Share Transfer Agents to consolidate their holding in one Folio.
4. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company. The instruments appointing proxy in order to be valid should reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A blank proxy form is annexe to the annual report.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2005 to 30.09.2005 (both days inclusive).
6. The Shareholders are requested to intimate immediately any change in their address to Register of the Company.
7. The members are requested to bring admission slip duly filled in and handover the same at the entrance of the meeting hall along with their copies of Annual Report to the Meeting and are also requested to send their queries, if any, on the accounts well in advance, so as to enable the Company to place relevant records and information at the time of Annual General Meeting.
8. It will be helpful if your Registered Folio Numbers/client ID number is quoted in all your correspondence with the Company.
9. The document referred to in this notice / explanatory statement are open for inspection by any members at the Registered office of the Company during the Company's business hours on any working day upto the last date of Annual General Meeting.

EXPLANATORY STATEMENT (Pursuant to section 173 (2) of the Companies Act 1956).**Item No.4.**

Mr.Suresh Chand Surana who was re-appointed during December 2000 for five years and his tenure expires during the December 2005 and the Board recommends his re-appointment as per item 4 of the Notice for your approval at remuneration of Rs.20,000.00 per month.

Mr.Suresh Chand Surana himself and his two brothers Mr.D.K.Surana and Mr.Padam Chand Surana are interested in his resolution,

Item No.5.

Considering the amount of work that Mr.Padam Chand Surana is doing the Director of the Company as decided to increase his monthly remuneration from Rs.10,000.00 to 15,000.00 p.m. which is within the limits of Schedule XIII of the Act.

None of the Director is interested or concerned with this resolution other than Mr.Padam Chand Surana in this

By order of the Board
For HASTI FINANCE LIMITED
 S/d
SURESH CHAND SURANA
 Managing Director



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DIRECTORS' REPORT

TO
THE MEMBER
OF HASTI FINANCE LIMITED

Your Directors are pleased to present their Eleventh Annual Report together with the audited statements of accounts for the year ended 31st March 2005.

FINANCIAL RESULTS

The Directors state that the Company has made a profit of Rs.3,03,553. This was due to recession in the overall business activities and also due to the Governmental regulations.

(Rs.in '000)

	Year ended 31.3.2005	Year ended 31.3.2004
Income from financial services and interest	3001.05	3397.43
Other Income	15.00	83.96
Profit before depreciation and tax	965.85	2077.04
Depreciation	362.30	329.60
Profit before tax	603.55	1631.83
Provision for taxation	300.00	450.00
Profit/loss after tax	303.55	1181.83
Add Profit Brought Forward	4447.60	3265.77
Amount available for appropriation	4751.15	4447.60
Appropriation	-	-
Transfer to General reserve	-	-
Surplus carry to Balance Sheet	4751.15	4447.60

DIVIDEND:

Your directors express their inability to declare dividend, as the Company has no adequate Profits during the financial year.

PUBLIC DEPOSITS:

Your company has not accepted any deposits from the Public during the current financial year.

DEMAT :

The Company's Shares are available for Dematerialisation with NSDL and CDSL. The Members can avail this facility.



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DIRECTORS' REPORT

OPERATION:

The auto sector recorded a significant slowdown markets scenario for commercial vehicle remained sluggish during the year 2004-2005 the company could not achieve the performance by overcoming a lot of hurdles by way of international recession, competition, financing at lower interest by Banks, Institutions, restriction by government and subsequent increase in fuel prices.

As there is an overall recession the Company could not do much of business.

FUTURE PROSPECTS:

Finance business is facing intense competition from banks financial institutions and other large corporate in commercial vehicles and domestic vehicles forcing the Company to accept the business at lower margins and lower interest rates. Margins for the coming year or likely to be under strain and in order to remain competitive your Company has initiated steps to reduce operating cost.

PARTICULARS OF EMPLOYEES:

At present there are no employees drawing a salary of more than Rs.1,00, 000/- per month and hence a statement under Section 217(2A) of the Companies Act 1956, is not furnished.

DISCLOSURE UNDER SEC.217 (1 (E))

Conservation of energy, Technology absorption, adoption, innovation etc. are not applicable to the Company, as the Company is a Finance Company not a major energy consuming one.

FOREIGN EXCHANGE EARNINGS AND OUT GO DURING THE YEAR.

There is no foreign exchange earnings or out go during the year.

AUDITORS REPORT.

The Auditors report to the Shareholders does not contain any qualifications.

DIRECTORS RESPONSIBILITY

The Board of Directors of the Company confirms:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure:
2. That the selected accounting policies were been applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March 2005, and of the profit of the Company for the year end on that date: