

HASTI FINANCE LIMITED



WE KNOW THE VALUE OF MONEY

12th Annual Report
2005 - 2006



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 :

205, 2nd Floor, Kaveri Complex,
96/104, Nungambakkam, High Road,
Nungambakkam, Chennai - 34.
Phone : 044-4213 9332

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
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 12th Annual General Meeting of the Company will be held on 30th September 2006 at 10.00 a.m. at No.205,2nd Floor,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 2006, and Profit and Loss Account for the year ended 31st March 2006 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Sri. Dilipkumar Surana, 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.

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 25.09.2006 to 30.09.2006 (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.



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DIRECTOR'S REPORT

TO
THE MEMBER
OF HASTI FINANCE LIMITED

Your Directors are pleased to present their Twelveth Annual Report together with the audited statements of accounts for the year ended 31st March 2006.

FINANCIAL RESULTS

The Directors state that the Company has made a profit of Rs.40,984.00. This was due to recession in the overall business activities and also due to the Governmental regulations.

| | (Rs.in '000) | |
|---|-------------------------|-------------------------|
| | Year ended 31.3.2006 | Year ended 31.3.2005 |
| Income from financial services and interest | 2351.51 | 3001.05 |
| Other Income | - | 15.00 |
| Profit before deprecation and tax | 594.50 | 965.85 |
| Depreciation | 343.52 | 362.30 |
| Profit before tax | 250.98 | 603.55 |
| Provision for taxation | 210.00 | 300.00 |
| Profit/loss after tax | 40.98 | 303.55 |
| Add Profit Brought Forward | 4751.15 | 4447.60 |
| Amount available for appropriation | 4792.13 | 4751.15 |
| Appropriation | - | - |
| Transfer to General reserve | - | - |
| Surplus carry to Balance Sheet | 4792.13 | 4751.15 |

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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DIRECTOR'S REPORT

OPERATION:

The auto sector recorded a significant slowdown markets scenario for commercial vehicle remained sluggish during the year 2005 - 2006 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 2006, and of the profit of the Company for the year end on that date:
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
4. That the annual accounts have been prepared on a going concern basis.



DIRECTOR'S REPORT

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M/S. D. K. Gollchha & Co., Chartered Accountants Chennai, the Auditors of the Company retire at the conclusion of this annual general meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT;

The Directors take this opportunity of thanking for the whole hearted and sincere Co-operation received from all its Bankers and other Governmental Agencies.

The Directors wish to place on record their sincere appreciation for the contribution made by every one who is associate with the Company and hope that they would continue their dedicated efforts for attainment of better working results in the years to come.

On behalf of the Board.

DATE: 31-08-2006
PLACE: CHENNAI

(Sd/-)
Suresh Chand Surana
Managing Director

