

HASTI FINANCE LIMITED

21ST ANNUAL REPORT

2014-2015



CONTENTS

■ Message From the Chairman		1
■ Corporate Overview		
▪ Company Profile		2
▪ Mission, Vision & Core Values		3
▪ Operational Highlights		4
▪ Financial Highlights		5
■ Notice for the 21st Annual General Meeting		6
■ Statutory Reports & Financial Statements		
▪ Director's Report		11
• Annexure "A" – Secretarial Audit Report		19
• Annexure "B" – Nomination & Remuneration Policy		24
• Annexure "C" – Extract of Annual Report		28
• Annexure "D" – Extract of Financial Performance of Associates		37
• Annexure "E" – Whistleblower Policy		38
• Annexure "F" – Report on Corporate Governance		40
• Annexure "G" – Certificate from Auditor on Corporate Governance		49
▪ Management Discussion and Analysis		50
▪ Certificate from Managing Director		52
▪ Standalone Financial Statements		
• Auditors Report on Standalone Financial Statements		54
• Balance Sheet		58
• Profit & Loss Account		59
• Notes forming parts of accounts		60
• Cash Flow Statement		72
■ Attendance Slip & Proxy Form		73

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

It gives me a great pleasure to present the 21st Annual Report of Hasti Finance Limited.

Hasti have come a long way since it commenced its journey decades ago, when the industry structure, customer requirements and regulatory frameworks were different. Today is the time where India is well poised to become an economic super power. It is a Country where innovation has become the buzz world.

Hasti Finance was founded in 1994 with an mission to participate in the growth of the nation through financial assistance to its core participants, empowering the nation's true wealth, its people through personalized and business finance to growing enterprises and individuals by becoming a leading finance company providing services to middle class & poor sectors of urban, semi urban and rural India.

During the Course of this journey I believe, we have brought professionalism in terms of setting standards and ethics and organizational qualities to an industry largely dominated by unorganized players.

During the year company has tried its level best to sustain its growth however due to increase in number of competitors to our organization it becomes difficult to enhance our growth. Due to lower rate of interest and increase in value added services offered to customers the turnover of the company is lowered down during the year and which resulted decrease in profit before tax and earnings per share of the company.

Your management is committed to growth and assured you improved performance ahead and we look forward to your continuous support on this journey.

Regards,
Nitin P. Somani
Chairman





■ ***Board of Directors***

Mr. Nitin Prabhudas Somani (Managing Director)
Mrs. Sonal Nitin Somani (Executive Director)
Mr. Salim Ismail Shaikh (Executive Director)
Mr. Vilas Shankar Daware (Independent Director)
Mr. Vishal Nanalal Buddhadev (Independent Director)
Mr. Manoj Kumar Padhye (Independent Director)

■ ***Registered Office***

No.14, Imperial Hotel Complex, Whannels Road,
Near Albert Cinema Hall, Egmore,
Chennai- 600 008
Tel No. +91-8655458399
Web site- hastifinanceltd@gmail.com

■ ***Statutory Auditor***

Sandeep Rathi & Associates
Chartered Accountants,
304, Saba Palace, 4th Road,
Khar (W), Mumbai-400 052
Tel.No.- 022-32908261

■ ***Registrar and Transfer Agent***

Big Share Services Private Limited
E-2 & 3, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (East)
Mumbai-400 072
www.bigshareonline.com
Email Id: babu@bigshareonline.com
Tel No-022 40430200
Fax No-022-28475207

■ ***Bankers***

ICICI Bank
IDBI Bank
Bharat Co-op Bank(Mumbai) Ltd

Mission

Participate in the growth of the nation through financial assistance to its core participants viz: its people. Empower the nation's true wealth, its people, through personalized and business finance to growing enterprises and individuals.

Vision

To be the leading finance company, servicing the middle class and poor sectors of urban, semi-urban and rural India.

Core values

- *Our core values are an amalgamation of what we have been, what we are and what we want to.*
- *We believe that servicing the people is servicing the nation.*
- *We value individual dignity and respect the time and efforts of others. Through our actions we will nurture fairness, trust and transparency.*
- *As in past, we will continue to seek long term success, without compromising ethical business standards.*

Operational Highlights

The Company is moving ahead its path of success, conquering significant milestones.



Personal Loan

The Company has focused on Personal loan and business finance. Finance is the core requirement of very business enterprise. The company has targeted the financial needs of small and medium level entrepreneurs which is not only yielding good growth to the company in monetary terms but also acknowledging its participation in the national growth through empowering self employment in the society.

Gold Loan

In a nation like India, where gold is not only considered the most precious form of wealth but it is the most common article being mortgaged.

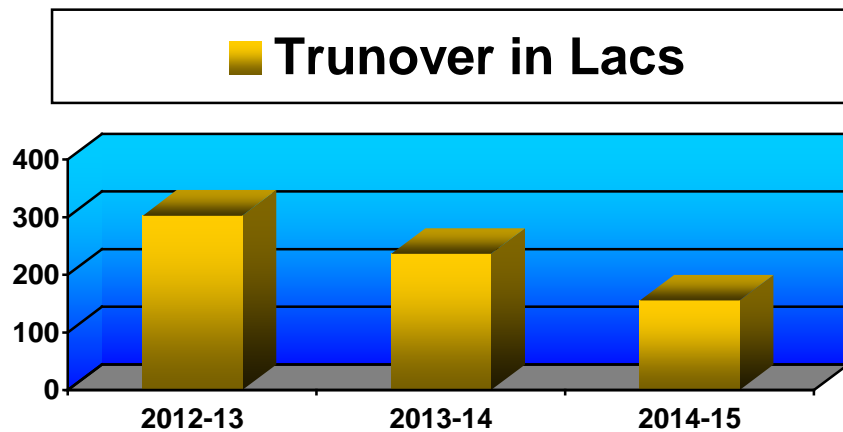


Housing Loan

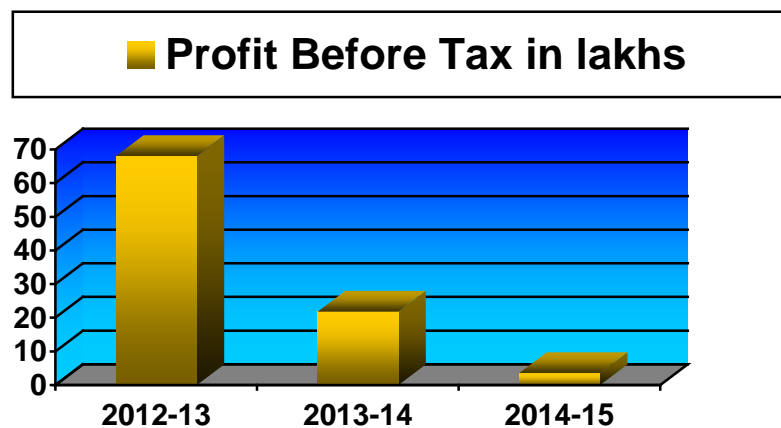
The next target of the company is Housing Finance. The company is getting ready to assist to shelter the people from the high property prices and lack of liquidity.

FINANCIAL HIGHLIGHTS

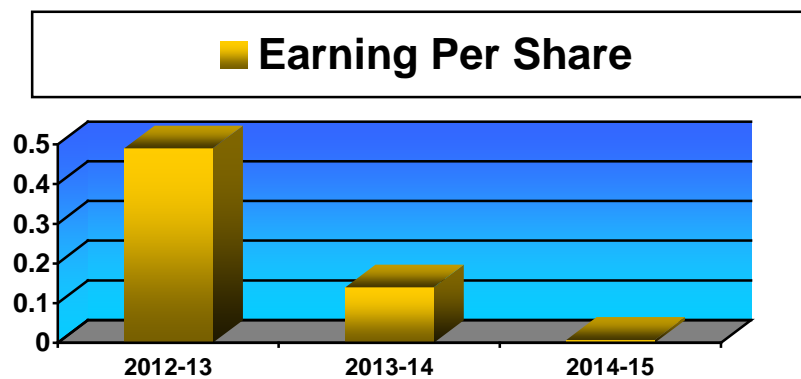
❖ **TURNOVER**



❖ **PROFIT BEFORE TAX**



❖ **EARNING PER SHARE**



NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the Company will be held on Wednesday, 30th September, 2015 at 11.30 a.m. at 14, Imperial Hotel Complex, Whannels Road, Egmore, Chennai – 600 008 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2015, Profit and Loss Account for the year ended 31st March, 2015 and the Reports of the Directors and Auditors thereon.
2. To appoint Auditors & fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an ordinary resolution:

“RESOLVED THAT appointment of M/s. Sandeep Rathi & Associates, Chartered accountants (Firm Registration No. 113728W) as Statutory auditor of the company made to hold office from the conclusion of the Twentieth annual general meeting till the conclusion of the Twenty Third Annual General Meeting be and is hereby ratified for the current financial year ended 31st March 2016.”
3. To appoint a Director in place of Mr. Salim Ismail Shaikh retires by rotation and being eligible, offers himself for re-appointment.

NOTES:

1. 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 ANNEXED TO THE ANNUAL REPORT.
2. Member who holds shares in dematerialized form are requested to indicate without fail their DP ID and client ID Number in the attendance slip.
3. Nomination for physical shares :
Member holding shares in physical form is encouraged to nominate a person to whom his shares in the Company shall vest in the event of his Death.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 29th September 2015 to 30th September 2015(both days inclusive).
6. The Shareholders are requested to intimate immediately any change in their address to Registrar of the Company.

7. It will be helpful if your Registered Folio Numbers/client ID number is quoted in all your correspondence with the Company.
8. 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 up to the last date of Annual General Meeting.
9. Big Share Services Pvt. Ltd is the Registrar & Share Transfer Agent of the Company. All investor related communication may be addressed to RTA at the following address:
Big Share Services Private Limited
Address:
E-2 & 3, Ansa Industrial Estate,
SakiVihar Road,
Sakinaka, Andheri East
Mumbai-400072
Tel No: 022-40430200
Fax No: 022-28475207
www.bigshareonline.com
Email Id: babu@bigshareonline.com
10. Members/Proxies are requested to kindly take note of the following:
 - i. Copies of Annual Report will not be distributed at the venue of the meeting;
 - ii. Attendance Slip, as sent herewith, is required to be produced at the venue duly filled-in and signed, for attending the meeting;
 - iii. Entry to the hall will be strictly on the basis of the entrance pass, which shall be provided at the counters at the venue, in exchange for duly completed and signed Attendance Slips; and
 - iv. In all correspondence with the Company and/or RTA, Folio No. or DP & Client ID No., as the case may be, must be quoted.
11. Electronic copy of the Annual Report for 2015 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report for 2015 is being sent in the permitted mode.
12. Electronic copy of the Notice of the 21st Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with Attendance slip and proxy form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 21st Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with Attendance slip and proxy form is being sent in the permitted mode.
13. **Voting through electronic means:**
 - I. In compliance with provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies(Management and Administration) Amendment Rules, 2015 ('Amendment Rules 2015') and clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 21st Annual General Meeting (AGM)

by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM(“remote e-voting”) will be provided by National Securities Depository Limited(NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 27th September, 2015(9:00 am) and ends on 29th September, 2015(5:00 pm).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 by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(S)]:
 - (i) Open email and open PDF file viz; “Hasti Finance remote e-voting.pdf” with your client ID or folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following [URL: https://www.evoting.nsdl.com](https://www.evoting.nsdl.com)
 - (iii) Click on shareholder- login.
 - (iv) Put user ID and password as initial password/PIN noted in step(i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. click on remote e-voting: Active Voting Cycles.
 - (vii) Select “REVEN” of Hasti Finance Limited.
 - (viii) Now you are ready for remote e-voting as cast vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on “submit” and also “confirm” when prompted.
 - (x) Upon confirmation, the message “vote cast successfully” will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders(i.e other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of