

52nd Annual Report 2004

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HIMATSINGKA MOTOR WORKS LIMITED

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HIMATSINGKA MOTOR WORKS LIMITED

BOARD OF DIRECTORS : SANTOSH KUMAR HIMATSINGKA
RAJESH KUMAR HIMATSINGKA
HARISH KUMAR HIMATSINGKA

BANKERS : ALLAHABAD BANK

AUDITORS : N. R. & ASSOCIATES
Chartered Accountants
MALIGAON, CHARALI,
GUWAHATI - 781 011.

FINANCIAL ADVISOR : SUKUMAR BANERJEE

REGISTERED & HEAD OFFICE : A. T. ROAD,
GUWAHATI - 781 001.

BRANCHES :

AUTO DIVISION : JORHAT, F.I.P. SECTION &
KOLKATA

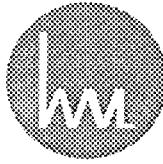
HIRE PURCHASE DIVISION : GUWAHATI

COMPANY REGISTRATION DETAILS / P.A. NO. :

REGN. NO. & DATE : 00991 DATED 17-08-1951

COMMENCEMENT OF BUSINESS : CERTIFICATE DATED 05-11-1951
R.O.C. SHILLONG (STATE CODE-02)

P. A. NO. : AAACH-7512-B



HIMATSINGKA MOTOR WORKS LIMITED

Registered Office : A. T. ROAD, GUWAHATI-781 001

notice

TO THE SHAREHOLDERS

Notice is hereby given that the 52nd Annual General Meeting of the members of **HIMATSINGKA MOTOR WORKS LIMITED** will be held at its Registered Office at A. T. Road, Guwahati-781 001 on 29th September 2004 at 2 p.m. to transact the following business :

1. To consider the accounts for the year ended 31st March, 2004 together with the Auditors' Report and Directors' Report therein.
2. To appoint a Director in place of Shri Rajesh Kumar Himatsingka who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be mutually agreed upon with the Board of Directors.

BY ORDER OF THE BOARD

Place : Guwahati
Dated : 28th July, 2004.

SANTOSH KUMAR HIMATSINGKA
Director

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. The proxy form is attached herewith.
2. The register of members of the Company will remain closed from 15th September, 2004 to 29th September, 2004 (Both days inclusive).



directors' report

TO THE SHAREHOLDERS

Ladies & Gentlemen,

Your Directors have pleasure in presenting the 52nd Annual Report together with the Audited Accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS

The Financial Results of the Company's working for the year ended 31st March, 2004 are tabulated as under :

| | Year ended 31-03-2004 Rs. | Year ended 31-03-2003 Rs. |
|---|---------------------------------|---------------------------------|
| Operational Income | 2,05,76,944 | 1,26,25,496 |
| Profit Before Depreciation | 28,81,591 | 18,23,817 |
| Depreciation | 3,10,276 | 3,61,171 |
| Profit Before Taxation | 25,71,315 | 14,62,646 |
| Provision for Taxation | 7,47,398 | 3,47,722 |
| Profit After Taxation | 18,23,917 | 11,14,924 |
| Earning Per Share | 1.86 | 1.14 |
| Cash Profit | 21,34,193 | 14,78,545 |
| Disbursement (H.P. Finance) | 2,03,92,000 | 1,85,75,000 |
| Hire Purchase Business Written During the year | 2,60,75,621 | 2,44,89,933 |

During the year under Review your Company's business has increased and the profit has also increased than that of previous year, as borne out by the above figures.

Your Board of Directors are actively investigating investment opportunities in new lines of business that are consistent with the inherent strength of the Company.

DIVIDEND

In view of the required Investment in new lines and with the need to conserve funds for the long-term benefit of the Company, no dividend has been recommended this year.

DIRECTORS

Shri Rajesh Kumar Himatsingka retires by rotation and being eligible the Directors recommend his re-appointment. Shri Harish Kumar Himatsingka has stepped down from the post of Managing Director, but will continue to be a Director of the Company w.e.f. 1st April, 2004.

Himatsingka Motor Works Limited

ACCOUNTS

The Notes on Accounts in Schedule 16 are self-explanatory. Additional information as required under Part IV of Schedule VI of the Companies Act, the Balance Sheet Abstract and Company's General Business Profile are in Schedule 17 of the Accounts.

CORPORATE GOVERNANCE

In terms of Listing Agreement with Stock Exchanges the Company is not required to comply with the Corporate Governance Provisions.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Provision of Section 217 (2AA) of the Companies (Amendment) Act 2000, the Directors confirm :

- i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure if any.
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit & Loss of the Company for that period.
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to prevent and detect fraud and other irregularities.
- iv) That the Directors had prepared the accounts on a going concern basis.

AUDITORS

M/s. N. R. & Associates, Chartered Accountants, retire and are eligible for re-appointment.

PUBLIC DEPOSITS

The Company has not accepted any Public Deposit during the year falling within the purview of Section 58A of the Companies Act 1956 and rules framed there under. There were no unclaimed/unpaid deposits lying with the Company as on 31st March, 2004.

PERSONNEL

There were no employees receiving remuneration aggregating to Rs. 2,00,000/- per month where employed for part of the year or Rs. 24,00,000/- p.a. where employed for the full year and hence particulars under Section 217 (2A) of the Companies (Particulars of Employees) Rules, 1975 have not been given.

FOREIGN CURRENCY INFLOW/OUTGO AND ENERGY CONSERVATION

The nature of the Company's activities does not entail energy consumption or outgo/inflow of foreign currency.

LISTING FEE PAYMENT

The Company has not paid Annual Listing Fee for the F. Y. 2004-2005 to Guwahati and Mumbai Stock Exchanges.



AUDITOR'S OBSERVATIONS

The Company has disclosed the relevant facts in the notes on accounts given in Schedule-16 and the same are self explanatory.

SECRETARIAL COMPLIANCE

The Company has obtained the necessary compliance certificate from a whole time practicing company secretary as required under section 383A(1) which is annexed herewith the statement of accounts.

ACKNOWLEDGEMENT

In conclusion, the Board places on record their appreciation of the support given by the Bankers, Govt. Agencies, Customers, Staff and others for the working of Company.

For and on behalf of the Board

SANTOSH KUMAR HIMATSINGKA
Director

Place : Guwahati
Dated the 28th July, 2004.

HARISH KUMAR HIMATSINGKA
Director

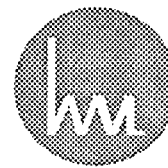
Himatsingka Motor Works Limited

auditors' report

TO THE MEMBERS OF

HIMATSINGKA MOTOR WORKS LIMITED

1. We have audited the attached Balance Sheet of HIMATSINGKA MOTOR WORKS LIMITED, as at 31st March, 2004 and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) order, 2003 (the order) issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, & subject to the effects of disclosures in, Notes on accounts in item no. 9 (a) in respect of compliance of Prudential norms and 9(c) in respect of Provision of Gratuity (Accounting Standard-15) and provision of deferred tax Assets / Liability (Accounting Standard-22) refer note no. 9(j) of Schedule-16 forming part of statement of accounts.
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Account.
 - d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Company' Act, 1956 save and except non provision of Gratuity (Accounting Standard-15) and Non-provision of deferred tax Asset / Liability (Accounting Standard-22) refer to note no. 9(c) and 9(i)(j) of Schedule-16 forming part of the Accounts.



- e) On the basis of written representations received from the Directors as on March 31, 2004 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2004 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the Notes thereon, give the information required by Companies Act, 1956, in the manner so required and give a true and a fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of the Balance Sheet the state of affairs of the Company as at March 31, 2004, and
 - ii) In the case of the Profit & Loss Account, the Profit of the Company for the year ended on that date.
 - iii) In the case of cash flow statement, of the cash flow for the year ended on that date.

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For **N. R. & ASSOCIATES**
Chartered Accountants

Place : Guwahati
Dated the 28th July, 2004.

N. R. CHAKRABARTY
Partner

Himatsingka Motor Works Limited

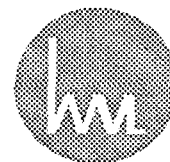
annexure to the auditors' report

[REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE]

- i) The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets. The Fixed Assets of the Company have been physically verified by the management periodically at reasonable intervals and no material discrepancy has been noticed on such verification.
- ii) None of the Fixed Assets of the Company have been revalued during the year. There was no sale of Fixed Assets during the year and therefore do not affect going concern assumption.
- iii) In our opinion, physical verification in respect of stocks, stores and materials have been done at reasonable intervals by the management and no material discrepancies were noticed on physical verification.
- iv) Valuation of these stocks is on a consistent basis and represents fair and proper value of stocks held by the Company. Since the Company is in the business of Hire Purchase Financing and in the business of Trading only, hence maintenance of cost records under clause (d) of Sub-section (i) of Section 209 of the Act is not applicable.
- v) The Company has an adequate internal control and checking commensurate with the size of the Company and the nature of the business for purchase of inventory and Fixed Assets and for the sale of goods and no weaknesses in internal control was noticed.
- vi) As explained to us, there were no unserviceable and damaged stores and raw materials during the year.
- vii) The Company has not accepted any deposit from public during the year, falling within the purview of Sec. 58A of the Companies Act, 1956 and the rules framed there under.
- viii) No loans in the nature of loans have been taken from Companies, Firms or other parties listed in the Register maintained under Sec. 301 of the Companies Act, 1956, where the rate of interest and other terms and conditions are prima facie prejudicial to the interest of the Company.
- ix) According to the information and explanations given to us and as shown by the Books of Account, loans in the nature of loans secured or unsecured have been granted to Companies, Firms or the parties listed in the register maintained under Section 301 and 372A of the Companies Act, 1956 where the rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company.

| Name of the Company | Amount of Loan Given | Amount of Interest | Loan amount of outstanding |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 1. Himatsingka Auto Enterprises Ltd. | 35,00,000 | 4,75,410 | NIL |

- x) The Parties to whom Loans and Advances in the nature of Loans have been given are generally repaying the Principal amounts as stipulated and are also generally regular in payment of interest, wherever applicable and there are no overdue amounts in respect of such loans and advances.
- xi) Interest free advances have been given to employees who are paying the principal amount as stipulated and there are no overdue amounts in respect of such advances.
- xii) According to the information and explanations given to us and as shown by the books of account of the Company, there were no purchases of goods and materials and sales of goods, materials and services made in pursuance of contracts entered in the registers maintained under Sec. 301



of the Companies Act, 1956 exceeding to Rs. 5,00,000/- in respect of each party during the period.

- xiii) The Company has an adequate internal audit system commensurate with the size and nature of its business.
- xiv) In our opinion and as shown by the books of account, the Company has been regular in depositing Provident Fund and ESI dues with the appropriate authorities.
- xv) As per our information and according to the explanations given to us, there is no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty as at the end of the year for a period of more than six months from the date they became payable.
- xvi) In respect to Investment made in shares by the Company, proper records have been kept by the Company. All shares have been held by the Company in its own name.
- xvii) Investments are long-term strategic investments and the inherent value of such investment does not indicate permanent diminutions.
- xviii) During the course of our examination of the Books of Account examined in accordance with the generally accepted auditing practices we have not come across any personal expenses, which have been charged to Profit & Loss Account.
- xix) There is no amount due as on 31-03-2004 to be credited to the Investor Education and Protection Fund.
- xx) There is no accumulated Loss of the Company as at 31st March, 2004.
- xxi) Based on our audit procedures and on the information and explanations given to us by the management, the company has not defaulted in repayment of dues to any Financial Institution or Bank.
- xxii) During the year the Company has not issued any preferential shares or raised any money by Public Issue of Equity Shares.
- xxiii) Based on the Audit procedures performed and information and explanations given to us by the management no case of fraud on or by the Company has been noticed or reported during the year.
- xxiv) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, Debentures and other securities. As such the question of maintaining necessary records does not arise.
- xxv) As explained to us the Provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
- xxvi) The Company is not dealing or trading in shares, securities, Debentures and other investments. As such maintenance of any such records is not applicable to the Company.
- xxvii) The Company has not given any guarantee for loan taken by others from Bank or Financial Institution in the Current Year.
- xxviii) According to information and explanations given to us the Company did not avail any Term loan.
- xxix) In our opinion comments on other matters specified in the order are not necessary.

For **N. R. & ASSOCIATES**
Chartered Accountants

N. R. CHAKRABARTY
Partner

Place : Guwahati
Dated the 28th July, 2004.