

# ANNUAL REPORT 1996-97

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CS	<input checked="" type="checkbox"/>		DFY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DTV	<input checked="" type="checkbox"/>
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## DHOOT

INDUSTRIAL FINANCE LIMITED



# Dhoot Industrial Finance Limited

## BOARD OF DIRECTORS

Shri Rajgopal Dhoot	<i>Chairman</i>
Shri Rohit Kumar Dhoot	<i>Managing Director</i>
Shri Arvind S. Parikh	
Shri S. Venkatachalam	
Shri Abhay Firodia	
Shri Dilip G. Piramal	

## PRESIDENT

Shri Umesh L. Bhawsar

## AUDITORS

Bansi S. Mehta & Co.  
Chartered Accountants  
Mumbai

## BANKERS

Indian Overseas Bank  
State Bank of India

## REGISTERED OFFICE

504, Raheja Centre  
214, Nariman Point  
Mumbai 400 021

Members are requested to send transfers and all the communications relating to notification of change in address, enquiries regarding transfer of shares, dividend etc. to the Share Transfer Agents of the Company at the following address :

M/s. Videocon Services Ltd.  
Unit : Dhoot Industrial Finance Ltd.  
Vinay Bhavya Complex, Ashok Steel Chain Compound  
Plot No.159 A, "B" Wing, 1st Floor  
Vidhya Nagari Road (CST Road), Kalina  
Santacruz (East), Mumbai 400 098  
Tel. No. : 611 6763, Fax No. : 610 7669

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## NOTICE

NOTICE is hereby given that Nineteenth Annual General Meeting of the Members of Dhoot Industrial Finance Limited will be held on Tuesday, the 30th day of September, 1997 at 11.30 a.m. at M.C. Ghai Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001 to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1997 and Profit and Loss Account for the year ended on that date and the Reports of the Directors' and the Auditors' thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Shri S. Venkatachalam who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Shri Abhay Firodia who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company and to fix their remuneration.

### SPECIAL BUSINESS

6. To Consider and if thought fit, to pass with or without modifications the following Resolution as a Special Resolution :

**"RESOLVED THAT** pursuant to section 163 of the Companies Act, 1956 the company hereby approves that the register of members, indexes, instead of being kept at the registered office of the Company at 504, Raheja Centre, 214, Nariman Point, Mumbai - 400 021, be kept at the Office of the Registrars and Share Transfer Agents of the Company M/s. Videocon Services Limited, Vinay Bhavya Complex, Ashok Steel Chain Compound, Plot no. 159 A, 'B' wing, 1st Floor, Vidhya Nagari Road (C.S.T. Road), Kalina, Santacruz (East), Mumbai - 400 098, where the necessary registrars, indexes as mentioned above shall be available for inspection during business hours of the Share Transfer Agents from 9.30 a.m. to 5.30 p.m. except on Saturdays and Public Holidays."

### 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/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 2) Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item 6 annexed herewith.

**Dhoot Industrial Finance Limited**

- 3) The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, the 23rd September, 1997 to Tuesday 30th September, 1997 (both days inclusive).
- 4) The dividend, if declared, will be paid to those members whose names appear in the Register of Members of the Company as on the 30th September, 1997 and the Dividend Warrants will be posted to them on or after 15th October, 1997.
- 5) Shareholders are requested to bring their copies of the Annual Report alongwith them to the General Meeting, as copies of the Report will not be distributed again at the Meeting as a measure of economy.

By Order of the Board  
For DHOOT INDUSTRIAL FINANCE LIMITED

Registered Office :  
504, Raheja Centre,  
214, Nariman Point,  
Mumbai - 400 021.

Rajgopal Dhoot  
Chairman

Mumbai  
28th July, 1997.

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**Annual Report 1996 - 97****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 :****ITEM NO. 6 :-**

This is to inform the Shareholders that the Company has appointed M/s. Videocon Services Limited as Share Transfer Agents of the Company. The Company will keep the Register of Members and Indexes of Shareholders at the office premises of Share Transfer Agents.

As required by Section 163 of the Companies Act, 1956 your approval is necessary to keep the Register of Members and Indexes of Shareholders at any place other than registered office of the company.

Hence this special resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the resolution.

By Order of the Board  
For **DHOOT INDUSTRIAL FINANCE LIMITED**

**Registered Office :**  
504, Raheja Centre,  
214, Nariman Point,  
Mumbai - 400 021.

**Rajgopal Dhoot**  
*Chairman*

Mumbai  
28th July, 1997.

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## Dhoot Industrial Finance Limited

### DIRECTORS' REPORT

Your Directors have pleasure in presenting the Nineteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1997.

#### 1. FINANCIAL HIGHLIGHTS :

	Year ended March 31, 1997	(Rs. in Lakhs) Year ended March 31, 1996
Total Income	1,852.32	1,705.57
Profit before Depreciation and Tax	253.12	248.32
Depreciation	147.95	89.04
Profit Before Tax	105.17	159.28
Provision For Tax	18.00	10.50
Profit After Tax	87.17	148.78
Less : Provision for earlier years	(02.59)	(0.15)
Add : Surplus Brought forward from previous year	87.17	42.68
Profit available for appropriation	171.75	191.31
<b>Appropriations :</b>		
General Reserve	10.00	25.00
Proposed Dividend	54.20	79.14
Corporate Dividend Tax thereon	5.42	--
Balance carried to Balance Sheet	102.13	87.17

#### 2. DIVIDEND :

The Directors are pleased to recommend dividend @ 10% (Rs.1.00 per share) on 54,20,000 Equity Shares for the year ended March 31, 1997 which would absorb a sum of Rs.54.20 Lakhs and corporate tax thereon Rs.5.42 lakhs @ 10%.

#### 3. BUSINESS & PERFORMANCE :

The financial services industry has been going through a long depressed phase which has affected the return on investments made by the Company. In the second half of the year the economy faced an unprecedented liquidity crunch and the interest rates rose steeply, increasing the pressure on your company's margins and adversely affecting fund-based businesses. The downward trend in the capital market, besides affecting the overall business environment, has also affected the merchant banking activities of the company, as some of the mandates on hand did not materialise and your company's fund based income fell sharply. In order to improve its performance the Company has further increased its thrust on trading activities.

Due to the above reasons the Company's financial performance was affected during the year under review. Gross Income has marginally increased to Rs.1,852.32 lakhs as against Rs.1,705.57 lakhs in previous year. The Gross Profit has increased to Rs.253.12 lakhs as against Rs.248.32 lakhs in previous year. The profit after tax has decreased to Rs.87.17 lakhs as against Rs.148.78 lakhs in the previous year.

#### 4. STATEMENT UNDER CLAUSE 43 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES SHOWING COMPARISONS OF THE PROJECTIONS MADE IN THE PROSPECTUS DATED JANUARY 12, 1995 WITH ACTUAL PERFORMANCE FOR THE YEAR 1996-97 :

The Company has raised Rs.291.75 lakhs through Public Issue of 19,45,000 equity shares of Rs.10/- each for cash at a premium of Rs.5/- each. The funds raised have already been utilised for the purpose



## Annual Report 1996 - 97

as stated in the aforesaid prospectus. The comparison of Actual Financial Performance for the year 1996-97 with the Projections indicated in the prospectus is as under:

	Projections 31.03.1997	(Rs. in Lakhs) Performance 31.03.1997
Gross Operational Income	2,720.43	1,852.32
Profit before tax	530.78	105.17
Profit after tax	515.55	87.17

The variations in projection and actual performance were due to the poor market conditions and further the projected income from merchant banking activities did not materialise due to depressed primary market conditions throughout the year.

### 5. FIXED DEPOSIT :

The Company has not accepted any fixed deposit during the year under review.

### 6. DIRECTORS :

Shri S. Venkatachalam, Director liable to retire by rotation and being eligible offers himself for re-appointment.

Shri Abhay Firodia, Director liable to retire by rotation and being eligible offers himself for re-appointment.

### 7. AUDITORS :

M/s. Bansi S. Mehta & Co. , Chartered Accountants, Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

### 8. PARTICULARS OF EMPLOYEES :

None of the employees received remuneration during the year in excess of the limit specified under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

### 9. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

Since the company is not engaged in manufacturing activities the details required under section 217(1)(e) of the Companies Act, 1956 are not given. The company has earned foreign exchange amounting to Rs. nil and there was no foreign exchange outgo except in travelling and subscription to the tune of Rs. 7.19 lakhs.

### 10. ACKNOWLEDGEMENT :

The Board takes this opportunity to thank Customers, Bankers, Shareholders and Employees for the co-operation and assistance extended to the company and they look forward to their continued support.

By Order of the Board

For DHOOT INDUSTRIAL FINANCE LIMITED

Mumbai  
28th July, 1997.

Rajgopal Dhoot  
Chairman





## Dhoot Industrial Finance Limited

### AUDITORS' REPORT TO THE MEMBERS OF DHOOT INDUSTRIAL FINANCE LIMITED

We have audited the attached Balance Sheet of **DHOOT INDUSTRIAL FINANCE LIMITED** as at 31st March, 1997 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto, and report that :

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
- b. In our opinion, proper books of accounts as required by law, have been kept by the Company so far as it appears from our examination of the books;
- c. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of Accounts;
- d. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note 3 of Schedule "V" regarding non creation of Lease Equalisation Reserve, read together with the other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
  - i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 1997, and
  - ii. In the case of Profit and Loss Account of the Profit for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4 A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us we further report that :

- i. The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets. We are informed that these fixed assets have been physically verified by the management during the year and no serious discrepancies have been noticed on such verifications.
- ii. None of the fixed assets have been revalued during the year.
- iii. The Management has physically verified the Stock-in-Trade at reasonable intervals during the year.
- iv. The procedures of physical verification of stocks during the year followed by the management are reasonable and adequate and in relation to the size of the Company and the nature of its business.
- v. No material discrepancies were noticed on physical verification of stock as compared to book records.
- vi. In our opinion, the valuation of Stock is fair and proper in accordance with the normally accepted accounting principles.
- vii. According to the information and explanations given to us the Company had taken loans, secured or unsecured, from Directors. As explained to us the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company. The Company has not taken any loans secured or unsecured from companies under the same management as defined under sub-section (1-B) of Section 370 of the Companies Act, 1956.
- viii. According to the information and explanations given to us, the Company had granted unsecured loans to a Firm listed in the register maintained under Section 301 of the Companies Act, 1956 and the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company. As explained to us the Company has not granted any loans, secured or unsecured, during the year, to companies under the same management as defined under sub-section (1-B) of Section 370 of the Companies Act, 1956.