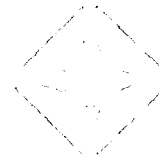


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INDUSTRIAL FINANCE LIMITED



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

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Name and Address of Stock Exchanges on which shares of the Company are listed :

1. Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023
2. The Ahmedabad Stock Exchange, Kamdhenu Complex, Shahjanand College, Panjarapole, Ahmedabad 380 015.

Company has paid annual listing fees for the year 1998-99 to the above Stock Exchanges.

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 :

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 Twentieth Annual General Meeting of the Members of Dhoot Industrial Finance Limited will be held on Monday, the 28th day of September, 1998 at 11.30 a.m., at M.C. Ghia 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, 1998 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 Dilip G. Piramal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Shri R.G. Dhoot who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company and to fix their remuneration.

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) The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, the 22nd September, 1998 to Monday, the 28th September, 1998 (both days inclusive).
- 3) The dividend, if declared, will be paid to those members whose names appear in the Register of Members of the Company as on the 28th September, 1998 and the Dividend Warrants will be posted to them on or after 13th October, 1998.
- 4) To avoid the incidence of fraudulent encashment of the warrants, members are requested to intimate their Bank Account Particulars to the Registrars under the signature of the Sole/First Joint Holders, in format given after page 19:
- 5) Members who have not encashed their dividend warrants for the following financial years are requested to approach Videocon Services Limited the Company's Registrar & Share Transfer Agents for obtaining duplicate dividend warrants :-

<u>Financial Year ended</u>	<u>Due for Transfer to Central Government</u>
31-03-95	14-11-1998
31-03-96	08-11-1999
31-03-97	18-11-2000

- 6) 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.
Mumbai
28th July, 1998.

Rajgopal Dhoot

Chairman



Dhoot Industrial Finance Limited

DIRECTORS' REPORT

Your Director's have pleasure in presenting the Twentieth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1998.

1. FINANCIAL HIGHLIGHTS :

	Year ended March 31, 1998	(Rs. in Lakhs) Year ended March 31, 1997
Total Income	2003.75	1852.32
Profit before Depreciation and tax	167.95	253.12
Less : Depreciation	97.70	147.95
Profit Before Tax	70.25	105.17
Less : Provision for tax	11.55	18.00
Profit After Tax	58.70	87.17
Add/(Less) : Provision for earlier years	(0.55)	(2.59)
Add : Surplus Brought forward from previous years	102.13	87.17
Profit available for appropriations	160.28	171.75
Appropriations :		
General Reserve	5.00	10.00
Proposed Dividend	37.94	54.20
Corporate Dividend Tax thereon	3.79	5.42
Balance Carried to Balance Sheet	113.55	102.13

2. DIVIDEND :

The Directors are pleased to recommend dividend @ 7% (Rs. 0.70 per share) on 54,20,000 equity shares for the year ended March 31, 1998 which would absorb a sum of Rs. 37.94 lakhs and corporate tax thereon Rs. 3.79 lakhs @ 10%.

3. BUSINESS & PERFORMANCE :

The Operations of the Company was affected by the tight money and investment market conditions. As a result of the recessionary economic conditions, like other companies in the same line, the company could not perform as expected. The company has further increased its thrust on trading activities. The turnover of trading activities in industrial chemicals and electronics maintained its growth even in these extremely adverse conditions. This year also the trading activities are expected to continue to increase further.

During the year under review, Gross Income has increased to Rs. 2003.75 Lakhs as against Rs.1852.32 Lakhs in the previous year. The profit after tax has declined to Rs. 58.70 Lakhs as against Rs.87.17 Lakhs in the previous year.

4. STATEMENT PURSUANT TO CLAUSE 43 OF THE LISTING AGREEMENT :

The projections of profitability which have been reported in prospectus of the Company and the actual performance of the Company for the year 1997-98 are as below :-

Against the projections the Gross Operational Income is Rs.2003.75 Lakhs compared to the projections of Rs.3473.82 Lakhs.



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Profit After Tax is Rs. 58.70 Lakhs compared to the projections of Rs. 718.65 Lakhs.

The variations in projections and actual performance were due to the long depressed phase in the Financial services industry.

5. FIXED DEPOSIT :

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

6. DIRECTORS :

Shri Dilip G. Piramal, Director liable to retire by rotation and being eligible offers himself for re-appointment.

Shri R. G. Dhoot, 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, held 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) Rule, 1975. as amended.

9. PARTICULARS FOR 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)(c) 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 to the tune of Rs.4.78 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

Rajgopal Dhoot
Chairman

Mumbai
28th July, 1998.



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, 1998 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 and 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, 1998 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 has not taken loans, secured or unsecured, from Companies, Firms or other parties listed in the Register maintained u/s.301 of the Companies Act, 1956. The Company has certified that there are no companies under the same management within the meaning of Section 370 (1-B) of the Act.
- 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



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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.

- ix. The parties to whom the loans or advances in the nature of loans have been given by the Company are repaying the principal amounts as stipulated and are also regular in payment of interest, wherever applicable.
- x. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of Trading goods, Investments and other assets and with regard to sale of goods and Investments.
- xi. As per the information and explanations given to us, there are no transaction of purchase & sale of goods made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more.
- xii. The Company has not accepted any deposits from public. Hence, the question of compliance with the directive issued by the Reserve Bank of India and the provisions of Section 58 A of the Companies Act, 1956 and Rules framed thereunder does not arise.
- xiii. In our opinion the Company has an adequate Internal Audit system commensurate with the size of the Company and nature of its business.
- xiv. The Company is not required to maintain cost records in respect of its product under Section 209 (1)(d) of the Companies Act, 1956.
- xv. We are informed that the provisions of the Provident Fund Act and Employees State Insurance Act and Rules are not applicable to the Company.
- xvi. According to the records of the Company and as per the information and explanations given to us no undisputed amounts payable by the Company in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as on 31st March, 1998 for more than six months from the date they became payable.
- xvii. According to the information and explanations given to us no personal expenses of Employees and Directors have been charged to revenue account, other than those payable under contractual, obligations or in accordance with generally accepted business practice.
- xviii. In respect of Trading activities of the Company we are informed that there are no damaged goods.
- xix. In our opinion and according to the information and explanations given to us the Company has maintained proper records of transactions and contracts as to dealing or trading in shares and timely entries have been made therein. The same have been held by the Company in its own name or are in the process of being transferred.

As per the informations and explanations given to us and taking into consideration, the nature of the business of the Company, Clauses (xii), (xiv) & (xx) of paragraph 4(A) and Clause (ii) and (iii) of paragraph 4(D) of the Manufacturing and Other Companies (Auditor's Report) Order, 1988 are not applicable.

For Bansi S. Mehta & Company
Chartered Accountants

Mumbai
28th July, 1998.

(A.R. Desai)
Partner



Dhoot Industrial Finance Limited

BALANCE SHEET AS AT 31ST MARCH, 1998

SCHEDULE		31-03-98	31-03-97
I. SOURCES OF FUNDS			
1. SHARE HOLDERS FUNDS :			
(a) Capital	A	5,42,00,000	5,42,00,000
(b) Reserves and Surplus	B	3,25,82,770	3,09,40,790
		8,67,82,770	8,51,40,790
2. LOAN FUNDS :			
(a) Secured Loans	C	1,98,27,372	1,15,66,154
(b) Unsecured Loans	D	56,41,096	2,53,00,000
		2,54,68,468	3,68,66,154
TOTAL OF (1) & (2)		11,22,51,238	12,20,06,944
II. APPLICATION OF FUNDS			
1. FIXED ASSETS :			
(a) Gross Block	E	9,81,34,749	9,74,46,882
(b) Less : Depreciation		3,48,57,828	2,52,78,507
(c) Net Block		6,32,76,921	7,21,68,375
2. INVESTMENTS	F	1,07,01,720	1,22,10,957
3. (A) CURRENT ASSETS, LOANS AND ADVANCES :-			
(a) Current Assets			
(i) Stock in trade	G	1,20,95,100	1,35,95,100
(ii) Sundry Debtors	H	7,60,11,279	6,85,27,680
(iii) Cash And Bank Balance	I	19,80,965	15,08,792
(b) Loans And Advances	J	7,31,76,038	6,00,27,310
TOTAL (A)		16,32,63,382	14,36,58,882
(B) LESS : CURRENT LIABILITIES AND PROVISIONS :-			
(a) Current Liabilities	K	12,19,12,640	10,25,85,864
(b) Provisions	L	71,28,400	77,62,000
TOTAL (B)		12,90,41,040	11,03,47,864
NET CURRENT ASSETS (A) - (B)		3,42,22,342	3,33,11,018
4. MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	M	40,50,255	43,16,594
TOTAL (1) + (2) + (3) + (4)		11,22,51,238	12,20,06,944
ACCOUNTING POLICIES	U		
NOTES TO ACCOUNTS	V		

As per our report of even date attached
For **Bansi S. Mehta & Company**
Chartered Accountants

A.R. Desai
Partner

Place : Mumbai

UMESH L. BHAWSAR
President

Date : 28th July, 1998

For and on behalf of the Board

R.G. DHOOT
R.K. DHOOT
ARVIND S. PARIKH

Chairman
Managing Director
Director