

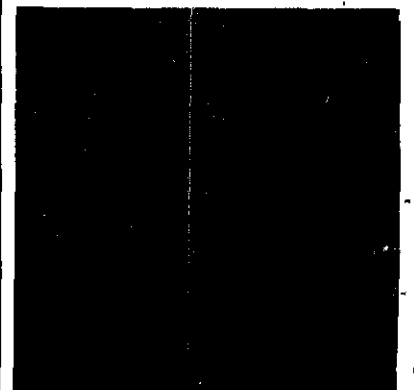
ANNUAL REPORT 1998 - 99

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D H O O T

INDUSTRIAL FINANCE LIMITED



BOARD OF DIRECTORS

Shri Rajgopal Dhoot
 Shri Rohit Kumar Dhoot
 Shri S. Venkatachalam
 Shri Abhay Firodia
 Shri Dilip G. Piramal
 Shri Arvind S. Parikh (Upto 04/01/1999)

Chairman

Managing Director

PRESIDENT

Shri Umesh L. Bhawsar

AUDITORS

Bansi S. Mehta & Co.
 Chartered Accountant
 Mumbai

BANKERS

Indian Overseas Bank
 UTI Bank Limited

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

Company had paid annual listing fees for the 1999-2000 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:

MCS Limited
 Unit: Dhoot Industrial Finance Ltd.
 Sri Venkatesh Bhavan, Plot No. 27,
 Road No. 11, MIDC Area,
 Andheri (East), Mumbai 400 093.

Tel. No.: 821 5235, Fax No.: 835 0456



NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of Dhoot Industrial Finance Limited will be held on Tuesday, the 28th day of September, 1999 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, 1999 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 :

"IN SUPERCESSION OF EARLIER RESOLUTION passed in Nineteenth Annual General Meeting held on 30th September, 1997 pursuant to Section 163 of the Companies Act, 1956 the Company hereby approves that the Register of Members, Index of Members, instead of being kept at the Videocon Services Limited, Kalina, Mumbai 400 098 erstwhile Share Transfer Agent of the Company, be kept at the Office of duly appointed Share Transfer Agents of the Company MCS Limited, Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, MIDC Area, Andheri (East) Mumbai - 400 093, where the necessary registers, 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) The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday 21st September, 1999 to Tuesday 28th September, 1999 (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, 1999 and the Dividend Warrants will be posted to them on or after 13th October, 1999.
- 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 22.
- 5) Members who have not encashed their dividend warrants for the following financial years are requested to approach MCS Limited the Company's Registrar & Share Transfer Agents for obtaining duplicate dividend warrants :-

Financial Year ended	Due for Transfer to Fund Established u/s 205C
31-03-96	08-11-2003
31-03-97	18-11-2004
31-03-98	16-11-2005

- 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
9th August, 1999.

Rajgopal Dhoot
Chairman

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 not renewed the appointment of Videocon Services Limited, Kalina, Mumbai who were earlier appointed as Share Transfer Agents of the Company.

Further, the Company has appointed MCS 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 MCS Limited, the Share Transfer Agents of the Company.

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**

Rajgopal Dhoot
Chairman

Registered Office:
504, Raheja Centre,
214, Nariman Point,
Mumbai - 400 021.
Mumbai
9th August, 1999.



DIRECTOR'S REPORT

Your Directors have pleasure in presenting the Twenty First Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1999.

1. FINANCIAL HIGHLIGHTS :

	Year ended March 31, 1999	(Rs. in Lakhs) Year ended March 31, 1998
Total Income	2099.74	2003.75
Profit before Depreciation and tax	136.96	167.95
Less : Depreciation	97.70	97.70
Profit Before Tax	39.26	70.25
Less : Provision for tax	23.00	11.55
Profit After Tax	16.26	58.70
Add/(Less) : Provision for earlier years	0.35	(0.55)
Add : Surplus Brought forward from previous years	113.55	102.13
Profit available for appropriations	130.16	160.28
Appropriations :		
General Reserve	5.00	5.00
Proposed Dividend	21.68	37.94
Corporate Dividend Tax thereon	2.17	3.79
Balance Carried to Balance Sheet	101.31	113.55

2. DIVIDEND :

The Directors are pleased to recommend dividend @ 4% (Rs. 0.40 per share) on 54,20,000 equity shares for the year ended March 31, 1999 which would absorb a sum of Rs. 21.68 lakhs and corporate tax thereon Rs. 2.17 lakhs @ 10%.

3. BUSINESS & PERFORMANCE :

The financial services industry has been going through a continued long depressed phase which has affected the return on investments made by the Company. The Company has further increased its thrust on trading activities, and the same will be expected to increase in the current year also.

During the year under review total income has increased to Rs.2099.74 lakhs as against Rs.2003.75 lakhs in the previous year. The Profit After Tax has declined sharply to Rs.16.26 lakhs as against Rs. 58.70 lakhs in the previous year on account of higher provision of doubtful debts and taxation.

4. Y2K PREPAREDNESS :

All the present systems, both hardware and software are Y2K compliant in the areas of use.

5. FIXED DEPOSIT :

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

1998-99

6. DIRECTORS :

Shri Arvind S. Parikh ceased to be director of the Company due to his sudden demise on 4th January, 1999.

We deeply mourn the sad demise of Shri Arvind S. Parikh and express sincere appreciation of the efficient and matured advice given by Shri Arvind S. Parikh to the Company during his tenure of office as Director which the company will always remember.

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

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

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)(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 to the tune of Rs. 0.43 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.
August 9, 1999.

Rajgopal Dhoot
Chairman



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, 1999 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 purposes 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 the Balance Sheet and the Profit and Loss Account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note 2 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, 1999 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 (Auditors' 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 notwithstanding the inapplicability of Section 370 to the Company with effect from October 31, 1998 vide Section 17 of the Companies (Amendment) Act, 1999. 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 notwithstanding the inapplicability of section 370 to the Company with effect from October 31, 1998 vide section 17 of the Companies (Amendment) Act, 1999. As