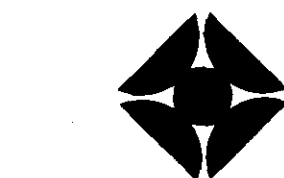


ANNUAL REPORT 1999 - 2000

Report  Junction



D H O O T

INDUSTRIAL FINANCE LIMITED

BOARD OF DIRECTORS

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

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 2000-2001 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



DHOOT INDUSTRIAL FINANCE LIMITED

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of Dhoot Industrial Finance Limited will be held on Thursday, the 28th day of September, 2000 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, 2000 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 R. G. Dhoot who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Shri Dilip G. Piramal 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 any modifications the following Resolution as a Ordinary Resolution :
"RESOLVED THAT subject to the provisions of Articles 163 and 165 of Articles of Association of the Company and further subject to the provisions of Section 198, 269 and 309 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956 and Subject to such approvals as may be necessary, the consent of the shareholders of the Company be and is hereby accorded to the re-appointment of Shri R. K. Dhoot, as a Managing Director of the Company with effect from 1st April, 2000 to 31st March, 2005, upon the terms and conditions and payments of remuneration, benefits and perquisites as set out in the agreement of re-appointment entered with the Company and as the said agreement be and is hereby approved and ratified with the liberty to the Board of Directors to alter or vary the terms and conditions of the said appointment from time to time and in such manner as may be agreed to between the Board of Directors and Shri R. K. Dhoot."
"RESOLVED FURTHER THAT notwithstanding anything hereinabove stated, where in any financial year, during the currency of tenure of Shri R. K. Dhoot as a Managing Director, the Company has no profits or its profits are inadequate, it may pay him remuneration up to Rs. 3,00,000/- per annum plus perquisites not exceeding the limits specified under Section II of Schedule XIII of the Companies Act, 1956.

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.
- 3) The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday 14th September, 2000 to Thursday 28th September, 2000 (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 28th September, 2000 and the Dividend Warrants will be posted to them on or after 13th October, 2000.
- 5) 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.
- 6) 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 |
| 31-03-99 | 16-11-2006 |

- 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**

Rajgopal Dhoot
Chairman

Registered Office:

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

Place : Mumbai

Dated : 5th August, 2000.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No.6 :**

By a Resolution passed by the Board of Directors at its Meeting held on 21st April, 2000, Shri R. K. Dhoot, was appointed as the Managing Director of the Company for a period of five years from 1st April, 2000 to 31st March, 2005. The payment of remuneration, perquisites and the other terms and conditions of re-appointment, as mentioned in the agreement of re-appointment entered into with him are as below :-

Remuneration :**I. Salary: -**

Rs. 25,000/- per month.

II. Perquisites

Shri R. K. Dhoot, Managing Director shall also be eligible the following perquisites which shall not be included in the Computation of the ceiling of Minimum Remuneration specified here in below :-

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- c) Encashment of leave at the end of the tenure.
- d) Medical Reimbursement:
Expenses incurred for Self and family subject to a ceiling of One Month's Salary in a block of 3 years.
- e) Leave Travel Concession:
Leave Travel Concession for self and his family consists of spouse, dependent children and parents once in a year incurred in accordance with the rules specified by the Company.
- f) Personal Accident Insurance:
Premium not exceeding Rs. 7,000/- per annum.
- g) Club Fees :
Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

Other Conditions :**I. Sitting Fees :**

He is not entitled to sitting fees for attending Meetings of the Board or of any Committees thereof.

II. Termination :

Termination of the Office of Managing Director is by giving three month's notice by either party.

The Directors are of the opinion that Shri R. K. Dhoot's knowledge and experience will be immense value to the Company. The Board, therefore, recommends approval of the above Resolution.

The Agreement of re-appointment entered into with him as the Managing Director is available for inspection to Members at the Registered Office of the Company on any working day between 11.30 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

Except Shri R. K. Dhoot proposed appointee and Shri R. G. Dhoot, being his relative no other Directors of the Company are concerned or interested in the said Resolution.

The above may be considered as an abstract of the terms and conditions of appointment of Managing Director under section 307 of the Companies Act, 1956.

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

Rajgopal Dhoot
Chairman

Registered Office:

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

Place : Mumbai

Dated : 5th August, 2000.



DHOOT INDUSTRIAL FINANCE LIMITED

DIRECTORS' REPORT

Your Director's have pleasure in presenting the Twenty Second Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2000.

1. FINANCIAL HIGHLIGHTS :

| | (Rs. in Lakhs) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2000 | Year ended March 31, 1999 |
| Total Income | 2528.97 | 2099.74 |
| Profit before Depreciation and tax | 65.09 | 136.96 |
| Less : Depreciation | 9.37 | 97.70 |
| Profit Before Tax | 55.72 | 39.26 |
| Less : Provision for tax | 38.60 | 23.00 |
| Profit After Tax | 17.12 | 16.26 |
| Add/(Less) : Provision for earlier years | 2.58 | 0.35 |
| Add : Surplus Brought forward from previous years | 101.31 | 113.55 |
| Profit available for appropriations | 121.01 | 130.16 |
| Appropriations : | | |
| General Reserve | 5.00 | 5.00 |
| Proposed Dividend | 13.55 | 21.68 |
| Corporate Dividend Tax thereon | 2.98 | 2.17 |
| Balance Carried to Balance Sheet | 99.48 | 101.31 |

2. DIVIDEND :

The Directors are pleased to recommend dividend @ 2.5% (Rs. 0.25 per share) on 54,20,000 equity shares for the year ended March 31, 2000 which would absorb a sum of Rs. 13.55 lakhs and corporate tax thereon Rs. 2.98 lakhs @ 22%.

3. BUSINESS & PERFORMANCE :

Due to over all slackness in the Financial Service Industry particularly in the areas in which your company operates, the Company has decided to move out of financial services business gradually in the coming years. However the Company has further maintained its thrust on trading activities & same will be expected to flourish in the years to come.

During the year under review total income has increased to 2528.97 lacs as against Rs. 2099.74 lacs in the earlier year. As the profit after tax has risen marginally to Rs. 17.12 lacs compared to Rs. 16.26 lacs in the previous year.

4. FIXED DEPOSIT :

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

5. DIRECTORS :

Shri R. G. Dhoot and Shri Dilip G. Piramal, Directors are liable to retire by rotation and being eligible offers themselves for reappointment.

Shri R. K. Dhoot seeks his re-appointment as Managing Director of the Company for 5 years wef. 1st April, 2000 subject to your approval.

6. 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.

7. 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.

8. 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 traveling to the tune of Rs. 4.25 lakhs.

9. 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.

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By Order of the Board

For DHOOT INDUSTRIAL FINANCE LIMITED

Place : Mumbai.
Dated : August 5, 2000.

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, 2000 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 6 of Schedule "V" regarding Bills Receivables Outstanding for more than six months, 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, 2000 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,