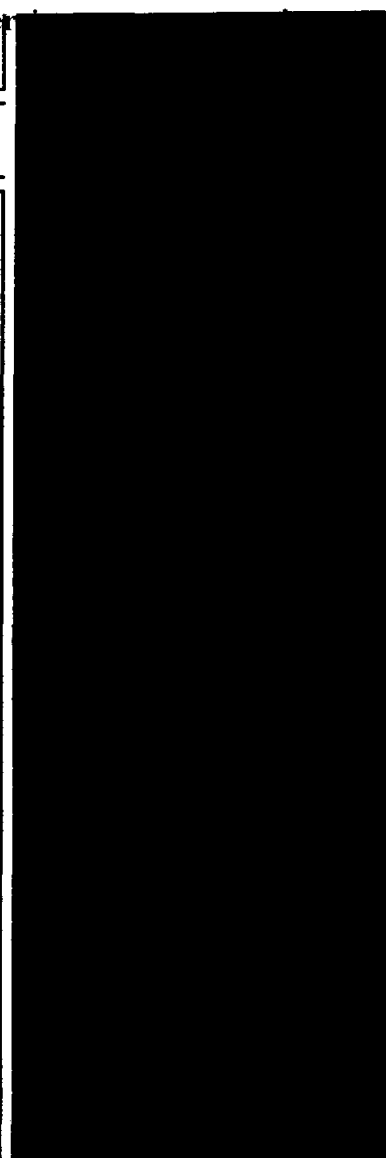
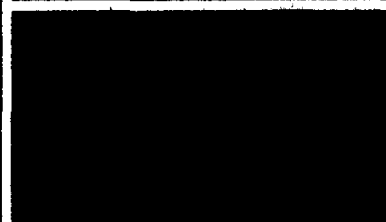


ANNUAL REPORT 2000 – 2001



D H O O T

INDUSTRIAL FINANCE LIMITED



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BOARD OF DIRECTORS

Shri Rajgopal Dhoot *Chairman*
 Shri Rohit Kumar Dhoot *Managing Director*
 Shri S. Venkatachalam
 Shri Abhay Firodia
 Shri Dilip G. Piramal
 Shri Rajesh M. Loya (*w.e.f. 28/03/2001*)

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 Exchange 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,
Kamdhedu Complex, Shahjanand College,
Panjarapole, Ahmedabad 380 015.

Company has paid Annual Listing Fees for the year 2001-2002 to the above Stock Exchanges.

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

MCS Limited
Unit : Dhoot Industrial Finance Limited
 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 Third Annual General Meeting of Dhoot Industrial Finance Limited will be held on Friday, the 28th September, at 11.30 a.m., at M.C. Ghia Hall, Phogilal 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, 2001 and Profit and Loss Account for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in the place of Shri S. Venkatachalam who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri Abhay Firodia who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider, and if thought fit, to pass with or without modification(s), the following Resolution.
"RESOLVED THAT Shri Rajesh M. Loya, be and is hereby appointed as a Director of the Company."

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 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 no. 5 annexed herewith.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, the 14th September, 2001 to Friday, the 28th September, 2001.
4. Members who have not encashed their refund / dividend warrants for the following financial year 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
31-03-1995	17/04/2002
31-03-1996	08/11/2003
31-03-1997	18/11/2004
31-03-1998	16/11/2005
31-03-1999	16/11/2006
31-03-2000	15/11/2007

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**
 Rajgopal Dhoot
 Chairman

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

Place : Mumbai
 Date : 27th August, 2001.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO. 5 :**

Shri Rajesh M. Loya was appointed as an additional Director in the meeting of the Board of Directors held on 28th March, 2001. He holds office as Director upto the date of ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from member signifying their intention to propose Shri Rajesh M. Loya as a candidate for the office of Director of the Company. Shri Rajesh M. Loya is a Chartered Accountant by profession. The Company will benefit by his appointment to the Board. None of the Directors except Shri Rajesh M. Loya of the Company is concerned or interested in this resolution. The Shareholders are requested to accord their approval.

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
Date : 27th August, 2001.

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DIRECTORS' REPORT

Your Director's have pleasure in presenting the Twenty Third Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2001.

1. FINANCIAL HIGHLIGHTS :

	Year ended March 31, 2001	Year ended March 31, 2000
	(Rs. in Lakhs)	
Total Income	2,094.34	2,528.97
Profit before Depreciation and tax	19.70	65.09
Less : Depreciation	9.92	9.37
Profit Before Tax	9.78	55.72
Less : Provision for tax	2.50	38.60
Profit After Tax	7.28	17.12
Add/(Less) : Provision for earlier years	(0.52)	2.58
Add : Surplus Brought forward from previous years	99.48	101.31
Profit available for appropriations	106.24	121.01
Appropriations :		
General Reserve	—	5.00
Proposed Dividend	—	13.55
Corporate Dividend Tax thereon	—	2.98
Balance Carried to Balance Sheet	106.24	99.48

2. DIVIDEND :

The Directors do not recommend any dividend for the year ended March 31, 2001.

3. BUSINESS & PERFORMANCE :

Despite adverse market conditions, company has consolidated its position in trading activities in the year under review. Further the company has added kraft paper to the exiting portfolio of products traded during the year under review. The Company is further strengthening its trading portfolio by adding new products in the coming years.

During the year under review, total income is Rs. 2094.34 lakhs and the Profit after tax is Rs. 7.28 lakhs.

4. CORPORATE GOVERNANCE:

Newly inserted clause 49 of the listing agreement deals with various corporate governance requirements is applicable to your company from financial year 2002-2003.

5. AUDIT COMMITTEE :

The Board of the Company had constituted an Audit Committee under section 292A of the Companies Act, 1956 (as inserted by the Companies (Amendment) Act, 2000), comprising of three directors. The Committee is comprised of Shri Rajesh M. Loya, Shri R. G. Dhoot and Shri S. Venkatachalam.

6. Directors' Responsibility Statement :

Pursuant to Section 217(2AA) by the Companies Act, 1956, your Directors confirm :-

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2001, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts for the year financial ended 31st March, 2001 on a 'going concern' basis.

7. FIXED DEPOSIT :

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

8. DIRECTORS :

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

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

Shri Rajesh M. Loya was appointed as additional Directors on the Board of the Company on 28th March, 2001. He holds office as Director upto the date of ensuing Annual General Meeting. The Company has received notice under section 257 from a Member proposing to appoint Shri Rajesh M. Loya as Director of the Company.

9. 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.

10. 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.

11. PARTICULARS FOR CONSERVATIONS 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. 5.28 lakhs.

12. 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

Place : Mumbai
Dated : 27th August, 2001

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, 2001 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, to the extent applicable.
- e) On the basis of written representations received from the Directors as on 31st March 2001, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2001 from being appointed as Directors 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 subject to Note no. 6 of Schedule "U" regarding Bills Receivable 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, 2001; 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 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 Parties 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 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.