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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 (upto 30.10.2001)	
Shri Rajesh M. Loya	
Shri Girish C. Choksey (w.e.f. 30.10.2001)	

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 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 2002-2003 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. • E-mail : mscmum@vsnl.com

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



NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of Dhoot Industrial Finance Limited will be held on Friday, the 27th September, 2002 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, 2002 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 Rajgopal Dhoot who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri Rajesh M. Loya 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 any modification(s), the following Resolution as an ordinary resolution.

"RESOLVED THAT Shri Girish C. Choksey, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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 later 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 13th September, 2002 to Friday, the 27th September, 2002.
4. Members who have not encashed their 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
31-03-1996	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 : 6th August, 2002

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

Shri Girish C. Chokey was appointed as an additional Director of the Company in the meeting of the Board of Directors held on 30th October, 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 his intention to propose Shri Girish C. Choksey as a candidate for the office of Director of the Company. The Company will benefit by his appointment.

None of the Directors except Shri Girish C. Choksey 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 : 6th August, 2002





DIRECTORS' REPORT

Your Director's have pleasure in presenting the Twenty Fourth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2002.

1. FINANCIAL HIGHLIGHTS :

	Year ended March 31, 2002	(Rs. in Lakhs) Year ended March 31, 2001
Total Income	2322.14	2094.34
Profit before Depreciation and tax	23.67	19.70
Less : Depreciation	9.72	9.92
Profit Before Tax	13.95	9.78
Less : Provision for tax	2.30	2.50
Add : Deferred Tax (Net)	0.97	—
Profit After Tax	12.62	7.28
Add/(Less) : Provision for earlier years	(0.45)	(0.52)
Add : Surplus Brought forward from previous years	106.24	99.48
Balance Carried to Balance Sheet	118.41	106.24

2. DIVIDEND :

The Directors do not recommend any dividend for the year ended March 31, 2002.

3. BUSINESS & PERFORMANCE :

In the view of general slow down in the economy and adverse market conditions, the company has strengthened its position in trading activities in the year. During the year under review, total income is at Rs.2,322.14 lakhs and the profit after tax is at Rs.12.62 lakhs, compared to Rs.2,094.34 lakhs and Rs. 7.28 lakhs in last year respectively.

4. 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, 2002, 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, 2002 on a 'going concern' basis.

5. FIXED DEPOSIT :

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

6. CORPORATE GOVERNANCE :

The Stock Exchange, Mumbai has inserted Clause 49 regarding Corporate Governance in the Listing Agreement. As per the Schedule of Implementation mentioned in Clause 49 the same is required by the Company to comply on or before 31st March, 2003. However, your company has already complied some of the requirement of Clause 49 such like formation of Audit Committee, Investors/Shareholder Grievance Committee and Remuneration Committee whereas the other balance requirements will be complied by the Company with in stipulated time.

The Board of the Company has reconstituted the Audit Committee formed pursuant to the provisions of section 292A of the Companies Act, 1956 to comply the requirements specified under Clause 49 of the Listing Agreement. The Audit Committee comprising of three non-executive directors Shri R. G. Dhoot, Shri Abhay Firodia and Shri Girish C. Choksey. This Committee has reviewed the Accounts for the year ended March 31, 2002.

7. DIRECTORS :

Shri R. G. Dhoot, Director is liable to retire by rotation and being eligible offers himself for reappointment. Shri Rajesh M. Loya, Director is liable to retire by rotation and being eligible offers himself for reappointment. Shri Dilip G. Piramal, Director has resigned on 30.10.2001 as Director of the company and the Board expressed sincere appreciation for the efficient and matured advice of Shri Dilip G. Piramal to the company during his tenure. Shri Girish C. Choksey was appointed as additional Directors on the Board of the Company on 30th October, 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 Girish C. Choksey as Director of the Company.

8. 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.

9. 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.

10. 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 not earned any foreign exchange and there was no foreign exchange outgo.

11. 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 : 6th August, 2002

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, 2002 and the Profit & Loss Account of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as 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 account.
- d) In our opinion, the attached Profit and Loss Account and Balance Sheet comply with the applicable 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 representation received from the Directors as on 31st March, 2002 and taken on record by the Board of Directors, we report that none of Directors is disqualified as on 31st March, 2002 from being appointed as Director 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.5 & 6 of Schedule "U", regarding Unpaid Dividend & Bills Receivable / Debtors outstanding for more than six months, respectively; 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 the Balance Sheet of the state of affairs of the Company as at 31st March, 2002, and
 - (ii) In the case of the Profit & 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(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us we further state as under :-

- i) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As per the information and explanations given to us, the management during the year has physically verified assets of significant value and no serious discrepancies have been noticed on such verification.
- 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 the 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 principal.
- vii) According to the information and explanation given to us the Company has not taken loans, secured or unsecured, from Companies, Firms or other Parties listed in the Register maintained under Section